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Daily Report
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FBIS-SOV-96-045 *6 March 1996*

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Russia: Raduyev Mortally Wounded; Special Services Implicated

MM0603154196 Moscow IZVESTIYA in Russian 7 Mar 96 p 1

[Report by Valeriy Yakov: "Who Killed Salman Raduyev?"]

[FBIS Translated Text] According to news agency reports the notorious terrorist Salman Raduyev died in Urus-Martan hospital 6 March from wounds received shortly before. Citing a well-informed source at the Russian Federation MVD [Ministry of Internal Affairs] Interim Administration in Chechnya, the report says that the attempt on Raduyev's life was carried out 3 March near the settlements of Staryye Atagi and Sovetskoye. A few days earlier Raduyev's father was also killed.

Like any of Dudayev's field commanders, S. Raduyev had no lack of enemies and ill-wishers in Chechnya. After the operation in Kizlyar and Pervomayskoye that number multiplied and people sworn to "vengeance" against him appeared not only in Chechnya but in Dagestan too. But that fact, which is quite familiar to the gunmen, was not what troubled Raduyev most, rather it was that General M. Barsukov now featured among those sworn to vengeance against him and with good reason. During the appalling operation in Pervomayskoye Raduyev completely outwitted Barsukov and did not tire of emphasizing the general's disgrace at all his subsequent rallies and meetings with the press. And if you bear in mind that even in Chechnya Raduyev (unlike Basayev) did not enjoy particular favor with either Dudayev or Maskhadov he had even less reason to think that Moscow would just forget about this bloody attack. According to our information, which has not yet been confirmed officially, the special services were instructed to hunt Raduyev down and destroy him.

Sources at the Federal Security Service Special Operations Directorate refused to confirm this report but they did not repudiate it either and expressed a sense of complete satisfaction at such an end to Colonel Raduyev's career.

As far as I could ascertain, albeit unofficially again, there is still no order out to kill Dudayev, Maskhadov, or Basayev. Protectors in high places have still not declared open season on them.

Russia: Dudayev Interrupts TV Programs To Issue Statement

LD0603150096 Moscow ITAR-TASS World Service in Russian 1424 GMT 6 Mar 96

[By ITAR-TASS special correspondent Aleksandr Kharchenko]

[FBIS Translated Text] Groznyy, 6 Mar (Itar-Tass) — Russian Public Television First Channel programming was interrupted at about 1400 in Groznyy today and Dzhokhar Dudayev spoke for around five minutes. He reported that today's armed action in the Chechen capital was carried out on his instructions. Dudayev said that resistance forces were operating on five fronts to carry out an order to capture administrative buildings in Groznyy.

The population of Chechnya is already accustomed to Dudayev speaking frequently on Groznyy television, on the so-called "presidential channel", as it is named there. In response to a request from the ITAR-TASS correspondent to explain the situation, a spokesman for the heads of Groznyy television said that Dudayev has his own mobile television studio which has the capacity to jam government transmissions.

Russia: Rebels Block Groznyy Outskirts; Advance on City

LD0603102696 Moscow Russian Television Network in Russian 0800 GMT 6 Mar 96

[A. Samoletov report "over the phone" from Groznyy; from the "Vesti" newscast]

[FBIS Translated Text] No one can say that the situation here is predictable. It changes every minute. I have just learned from the Interior Ministry that Groznyy's outskirts have been completely blocked and they have been blocked not by the federal forces but by the rebels. We could see that some fighting is going on at a distance of 1.5 km from the town center. As you understand, all the roads have been blocked and the town looks like a wasteland. An offensive against the town is being carried out from five sides and is now moving closer toward the center. We could hear mine explosions and fire from automatic weapons. People in the streets are being pushed closer to the walls of the houses. It is difficult to predict how the situation here will develop. [Video shows Correspondent Samoletov against backdrop of Groznyy map]

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Russia: Federal Mission in Groznyy Evacuated; Situation Worsens

LD0603121396 Moscow Russian Television Network in Russian 1100 GMT 6 Mar 96

[From the "Vesti" newscast]

[FBIS Translated Text] In the Chechen capital Groznyy the situation has sharply deteriorated today. Several roadblocks of the federal forces came under simultaneous gun and grenade launcher fire. There are killed and wounded on both sides. Our correspondent Aleksey Samoletov, who is now in the center of Groznyy managed to speak to us on the phone and reported the latest information on the situation in the city.

[Samoletov] The situation in Groznyy remains extremely tense. Explosions of grenades and mines and automatic gunfire can still be heard 1-2 km from the center of the city. The city is still empty. Members of the temporary mission of the Russian Federation in Chechnya have been evacuated.

However, as one of the deputy ministers of internal affairs of Chechnya has stated, the situation in the city is under control. About 15 militiamen have barricaded themselves in Oktyabrskiy police station and are returning the fighters' fire. Everyone who can get there is at his station.

At the same time, as the deputy minister stated, the fighters have got 2-3 km into the city. More detailed information is not available yet. Journalists are not permitted to take pictures or move about the city or transmit material from Groznyy.

Being practically blockaded in the hotel of the territorial administration where we have been taken we can only note the deterioration of the situation. Helicopters circulate over the city. Large caliber weapons fire can be heard and literally at this moment explosions of shells have started resounding one after another.

Russia: Chechen Official: Situation in Groznyy 'Very Serious'

LD0603094496 Moscow ITAR-TASS World Service in Russian 0657 GMT 6 Mar 96

[By ITAR-TASS correspondent Sergey Bazhenov]

[FBIS Translated Text] Moscow, 6 Mar (Itar-Tass) — Yunadi Usamov, deputy prime minister of the Chechen government, told ITAR-TASS today by telephone from Groznyy that "the situation in the city is very serious." He gave no details of the armed confrontation, noting only that at 0850 [time zone not specified] an emergency conference of the bodies of law and order and the military was convened at the Chechen Interior Ministry to coordinate efforts to unblock the situation."

Aleksandr Kharchenko, the ITAR-TASS correspondent in Groznyy, has reported that by 0945 the shooting had considerably intensified. Sounds of mines exploding and shooting from large-caliber machine-guns were resounding from the southern and western parts of the city.

Russia: Civilians Allowed To Leave Sernovodsk Through Corridor

LD0603121996 Moscow ITAR-TASS World Service in Russian 1138 GMT 6 Mar 96

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 6 Mar (Itar-Tass) — The corridor was restored today through which the civilian residents have been leaving the Chechen settlement Sernovodsk, under siege by the federal forces. At present there are no active combat actions there. Fire is being returned at the positions of rebels who have entrenched themselves in the area of Sernovodsk's sanatorium. General Vyachyaslav Tikhomirov, commander of the joint group of federal forces, from Khankala on the outskirts of Groznyy, told this to an ITAR-TASS correspondent.

He stressed that the federal forces are subjecting the rebel positions only to "pinpoint strikes." The civilian population has not been prevented from leaving the area of combat actions.

According to a report from the headquarters of the federal forces in Chechnya, the troops refrained from combat actions in the Sernovodsk area all through Tuesday.

Russia: Chechens Reportedly Planned Sernovodsk Events as Diversion

LD0503170296 Moscow INTERFAX in English 1628 GMT 5 Mar 96

[FBIS Transcribed Text] GROZNYY, Mar 5 (Interfax) — The headquarters of Chechen separatist leader Dzhokhar Dudayev planned the events in the Chechen village of Sernovodsk as a means to divert the attention of federal troops from Bamut, a military intelligence official at the federal troops in Chechnya told Interfax Tuesday.

He said that, according to intelligence information and intercepted radio conversations, the Dudayev headquarters were alarmed at the federal troop operation against a large Chechen rebel unit in the village of Bamut. It has also become known that the Dudayev headquarters

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ordered several caravans with arms to be brought to Bamut, including through Ingushetia.

An emissary from the headquarters accompanied each such caravan through Ingushetia until a certain point. The caravans made their last stop south of the village of Arshty before breaking through to Bamut, said the source.

According to him, a caravan delivered grenade launchers and Uzi assault rifles to Bamut earlier in March.

Russia: Chechens Suggest Plan To Settle Sernovodsk Conflict

LD0503144096 Moscow ITAR-TASS in English 1431 GMT 5 Mar 96

[FBIS Transcribed Text] GROZNYY, March 5 (Itar-Tass) — The Chechen government suggested its version of settling the Sernovodsk conflict which provides for a an immediate ceasefire by both sides, a withdrawal by federal troops from the town, and involving Chechen law enforcement bodies in the peace process.

The plan was presented at a session of the governmental headquarters on Tuesday. Participants in the session also decided to send Chechen culture minister Iles Sigauri, who was born in Sernovodsk, and a representative of the federal command to familiarise the local population with the government's plan.

Russia: Yeltsin, Chernomyrdin Discuss Chechen Peace Plan

LD0503161196 Moscow ITAR-TASS in English 1606 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Itar-Tass) — President Boris Yeltsin and Prime Minister Viktor Chernomyrdin met on Tuesday to discuss a peace plan for Chechnya drafted by the Chernomyrdin-led commission.

The presidential press service said in its release that Chernomyrdin had recounted to Yeltsin the progress of the government's programme to repay the arrears in wages, pensions and social payments.

Yeltsin demanded further and tighter control of the debt-clearing programme.

Other subjects of the talk concerned Yeltsin's pre-election campaign and personnel questions, the press service said.

Russia: Yeltsin Establishes Group for Chechen Settlement

LD0503170496 Moscow ITAR-TASS World Service in Russian 1643 GMT 5 Mar 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 5 Mar (Itar-Tass) — Today Boris Yeltsin decided to set up a working group under the Russian president for completing combat operations and settling the situation in Chechnya.

Sergey Medvedev, press secretary of the head of state, told ITAR-TASS that Boris Yeltsin appointed member of the Presidential Council Emil Pain as head of the group. The press secretary clarified that in terms of his status Emil Pain equals chairman of a commission under the Russian president.

Boris Yeltsin instructed Nikolay Yegorov, head of the presidential administration, to provide conditions for the working group's efficient work while Emil Pain should submit proposals for the composition of the group and its draft status.

So a working body to deal with developing concrete moves aimed at settlement in Chechnya is being set up under the head of state.

Russia: Moscow Said Trying To 'Bully' Chechens Into Peace

MK0603092896 Moscow SEGODNYA in Russian 5 Mar 96 p 1

[Article by Pavel Felgengauer: "The Enforcement of Peace"]

[FBIS Translated Text] After a whole month of the discussion of numerous "plans" for a Chechen settlement, actions by federal forces in the region have begun to show the contours of yet another attempt to resolve the problem. It seems that experts on ethnic politics, lawyers, and other scholars have again worked in vain. Moscow's actions are not distinguished by any particular finesse or subtlety. It is again trying to bully the Chechens into peace, holding out before Dzhokhar Dudayev the prospect of negotiations with Pavel Grachev himself, who yesterday arrived in Chechnya, and at the same time methodically destroying one rebel stronghold after another and with them the villages which gave them refuge.

Since 17 June 1995, when in a spring-summer offensive operation, Shatoy was seized, Russian troops for many months have not shown any initiative, while the gunmen retreating to the mountains were able to move freely around Chechnya. When winter came and mist

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grounded federal aviation, the Chechens used their freedom to maneuver and fully seized initiative, delivering in December a strike on Gudermes and in January on Kizlyar.

Yet, at the approach of spring, federal forces ceased adhering to purely defensive tactics. First, gunmen were dislodged from Novogroznenskiy, and then the [federal] troops started working on Sernovodsk, where they had not been since the start of the war. At the same time federal forces resumed the siege of Bamut, which Internal Affairs Ministry troops failed to seize last spring and where a grouping of the most hardened ("wild") Chechen combatants is based.

Reporters, who willingly visit Chechen positions in other areas, have long avoided Bamut. It was there that, last April, the Chechens seized a U.S. humanitarian aide worker, Fred Cuny, and, after interrogating him, killed him either on orders from Dudayev himself or people from the general-president's inner circle. The Russian physician and translator accompanying him were also killed. According to U.S. diplomatic sources, the Cuny family had to accept this theory after months of fruitless search.

Bamut was destroyed last summer and turned, according to the military itself, into a major stronghold, and so the troops will lay siege to it making full use of aviation and artillery. If the Chechens are eventually dislodged from high ground over Bamut, this will then be proclaimed as a serious tactical victory. On the whole, however, offensive operations in Chechnya have thus far been of a limited nature. Dudayev is again being offered a simple alternative: a compromise peace formula ("sovereign Chechnya as part of the Russian Federation") or continued assault, which will gradually break his supporters' back. Oleg Lobov, who insisted on a priority rebuilding of Chechnya's economy as the key instrument of a settlement, has reportedly undergone heart surgery and is for the time being not participating in the settlement process. True, many are now trying to evade serious responsibility for what is going on in Chechnya because a new attempt to coerce the Chechens into peace by force of arms can well end up with a new successful terrorist raid.

Russia: Grachev Visits Chechnya After Sernovodsk Events

MM0503125196 Moscow TRUD in Russian 5 Mar 96 p 2

[Report by Nikolay Dorofeyev: "Minister Has Gone to War"]

[FBIS Translated Text] According to news agency reports the situation in Chechnya last weekend remained complex. In just 24 hours gunmen opened fire on 26 occasions on subunits of the federal troops in Chechnya, including 13 occasions in Groznyy.

And in Sernovodsk village, 45 km west of Groznyy, there was outright fighting. The federal troops who had entered the settlement in search of gunmen's hideouts were ambushed by Dudayev's men and opened fire in response. There are dead and wounded on both sides. According to ITAR-TASS reports citing Vyacheslav Tikhomirov, commander of the federal grouping in Chechnya, the fighting in Sernovodsk was provoked by Dudayev's men. For several days intensive talks were under way here with the local authorities on the disarmament of the gunmen in the village. For reasons unknown they were broken off. When the federal troops entered the population center intensive gunfire was opened against them from the "Asta" sanitarium in Sernovodsk and from the school building.

The Sernovodsk inhabitants' story differs from the official one. They claim that despite the agreement reached on the peaceful solution of the crisis fire was opened on the village for unknown reasons. The civilian population is leaving the village along the corridor left by the federal troops and is going mainly to Ingushetia. Here about 4,000 refugees from Sernovodsk have already been registered.

It was to this accompaniment that Russian Federation Defense Minister Pavel Grachev arrived in Chechnya. He visited a federal troops brigade, talked with the command, and held a conference with the participation of the republic's head, Doku Zavgayev. It is true that as he was flying to Chechnya the defense minister stated that he was ready to meet with Dudayev there if the latter so wished. Actually, so far it looks as though such a meeting is not planned....

Russia: Grachev Meets Zavgayev; Notes Changed Opinion on Chechnya

MM0603123496 Moscow KRASNAYA ZVEZDA in Russian 6 Mar 96 p 1

[Report by Aleksandr Pelts: "Chechnya: Quest for Optimum Way of Resolving Conflict. On 4 March Russian Defense Minister Army General Pavel Grachev Ended His Trip to the Chechen Republic"]

[FBIS Translated Text] As KRASNAYA ZVEZDA has already reported, Defense Minister Army General Pavel Grachev stressed repeatedly in Groznyy that he came to Chechnya "to advance the inter-Chechen peace dialogue," and not to step up hostilities. It was for that purpose that Army Gen. Pavel Grachev spent an hour talking with Doku Zavgayev, head of

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the Chechen Republic, and other representatives of the republic administration. After this discussion the minister noted that he has changed a great deal in his opinion on the situation in Chechnya. He believes that the situation looks rather different from Moscow, and the conversation that took place helped him to form certain conclusions which Army Gen. Pavel Grachev will report to the country's top leadership.

After the meeting with Doku Zavgayev the defense minister visited the separate motorized infantry brigade commanded by Colonel Valeriy Nazarov. A year ago the site of the unit's present deployment was waste land. The servicemen were living in very difficult conditions. Now a real military camp has grown up here. The most important facilities have been built: the soldiers' and officers' mess, the barracks, the hostel, the stores, the park area. Lieutenant General Leonid Shatvoryan, deputy commander of the North Caucasus Military District for construction and billeting, reported that military camps have also grown up in Khankala and Mozdok. And this in spite of the fact that the military construction workers are owned nearly 300 billion rubles for work already done. All the same, the main task has been resolved — today the soldier has everything he should have: He can eat in the mess and relax in a warm barracks.

After visiting the motorized infantry brigade Army Gen. Pavel Grachev visited the settlement of Khankala, where the Combined Grouping of Federal Forces in the Chechen Republic has its headquarters. Here there was a meeting with the headquarters directorate and officers of the garrison. In his speech to the servicemen the defense minister reported briefly on his meeting with Doku Zavgayev.

The minister also noted that the Russian Federation Government and the Russian Defense Ministry will do everything possible to provide servicemen doing their military duty in the Chechen Republic with everything they need. Army Gen. Pavel Grachev stressed that only those soldiers who have served at least six months should be sent to Chechnya. Summing up the results of his work in Chechnya, he noted that as the situation stabilizes the troops will be withdrawn from the Chechen Republic. Two brigades will remain in the republic and will be stationed at the military camps that are being built.

On 5 March the defense minister arrived in Krasnodar. Here he met with the kray leadership and the command of the military garrison and visited Russian Army subunits stationed on the kray's territory.

Russia: Grachev Visits Rostov-na-Donu, Groznyy in Chechnya

MM0503144896 Moscow KRASNAYA ZVEZDA in Russian 5 Mar 96 p 1

[Report by Aleksandr Pelts in Groznyy and Anatoliy Borovkov and Nikolay Astashkin in Rostov-na-Donu: "Focusing Attention on Military and Military-Political Questions. Russian Defense Minister at Work in Chechen Republic"]

[FBIS Translated Text] Army General Pavel Grachev, Russian defense minister, flew into Groznyy 4 March. Immediately on his arrival he said that, during meetings with the republic's leadership, he intends to resolve a number of military and military political questions.

Army Gen. Pavel Grachev will also meet with the command of subunits of all power departments' subunits in Chechnya. The plan is to ascertain the situation on the spot and make a decision on the future actions of the Combined Grouping of Federal Forces in the Chechen Republic.

On the eve of his trip to Chechnya the defense minister stressed several times that he is prepared to meet personally with leaders of illegal armed formations and hold talks with them. If Dzhokhar Dudayev himself expresses the same desire, then Army Gen. Pavel Grachev is prepared to meet with him too anywhere in Chechnya. This is another of the tasks the minister said he had set himself before going to Groznyy.

Another purpose of the trip is to check on the social and everyday conditions of service for the soldiers of the federal forces in the Chechen Republic. There has been talk recently, the defense minister stressed, about Russian officers and men living in very bad conditions in Chechnya. A group of generals has come with me, Pavel Grachev said, and they will visit literally every military unit and try to resolve all the problems.

Army Gen. Pavel Grachev stressed that his arrival in Chechnya is in no way linked to a stepping up of combat actions and that he does not intend to raise the question of transferring the subunits of all power departments in the Chechen Republic to the charge of the Russian Federation Defense Ministry. The defense minister continues to favor a peaceful solution of the Chechen problem. The powerful groupings of gunmen that existed in Chechnya a year ago are no longer there, Pavel Grachev stressed.

On 2 March, en route for Chechnya, Pavel Grachev visited Rostov-na-Donu. The defense minister went straight from the airfield to the residential compound constructed by the German firm "Hochtief" for the

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servicemen of the North Caucasus Military District. During a visit to the No. 27 secondary school the defense minister was literally "encircled" by children. It is no secret that Pavel Sergeyevich is enormously popular with little boys. "Keep well, fight for justice" that is what the minister wrote on a school notebook proffered by the children.

On the afternoon of 2 March the defense minister visited "Rostvertol," the biggest enterprise in Russia manufacturing helicopters, and met with the North Caucasus Military District command.

Russia: Grachev's Initiative Implies Legitimation of Dudayev

MK0503144996 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 96 p 1

[Report by Alan Kasayev: "Pavel Grachev Wrests Initiative. Boris Yeltsin Is Ready To Promulgate His Plan While Hostilities Continue in Chechnya"]

[FBIS Translated Text] Yeltsin's plans for straightening things out in Chechnya, which, although not made public, have already become famous, were enriched last Saturday [2 March] with new ideas. Russian Federation Defense Minister Pavel Grachev, inspecting in Rostov-on-Don the headquarters of the North Caucasus Military District and arms and equipment depots, said that he intends to go to the areas of fighting in the next few days. There, he intends to hold negotiations with those Chechen leaders who, without being bandits, nonetheless control forces resisting the Russians. [as published] Grachev reaffirmed his readiness to meet with Dudayev, on arrival in Groznyy yesterday.

Raduyev and Basayev in Grachev's matter-of-factly expressed view are bandits, and Dzhokhar Dudayev is a nonbandit. Thus, a new configuration of a military-political lineup on the threshold of the Russian Security Council's 7 March session is emerging. The session is to hear statements by FSB [Federal Security Service] head Barsukov, Security Council Chairman Lobov (if he is out of the hospital by that time), and Nationalities Minister Mikhaylov, on the basis of which the Council is to work out recommendations to resolve the Chechen crisis. To all appearances, after the president approves them, these recommendations will become not just one of the numerous "Yeltsin plans" but a single — until June — "peace plan."

Signs are that Pavel Grachev's unexpected activism on the southern flank is the result of his insider knowledge of backdoor intrigue in the Kremlin prior to the approval of the aforementioned plan. Maybe Grachev is not happy with the role and place the proposed plan assigns to the military and its leader. It would be logical to assume, however, that the point about the possibility of direct negotiations between high-level federal representatives and Dudayev is contained in the Security Council draft resolution but that the person in charge is not the defense minister.

It is still unknown whether a meeting between Grachev and Dudayev will take place this time around. But in any event the initiative of resuming the negotiations and raising them to a higher level than before comes from the Russian defense minister.

What has prompted this initiative apart from purely internal political or even intraparliamentary intrigue? It could be assumed that ahead of the presidential election the Russian defense minister really wants to relieve a substantial military contingent and withdraw it from the zone of fighting to permanent station areas. In the spring period, elite units — special forces and paratroops — can be in demand. They need to be brought up to scratch, reinforced, and given a rest.

Meanwhile representatives of the Groznyy administration strongly object to the mere possibility of direct negotiations between Russian leadership and Dudayev. Chechnya's Deputy Premier Abdulla Bugayev contended that such negotiations are impossible because Dudayev does not control the situation in combat detachments, formally subordinated to him. Yet, the real reason for opposition on the part of Zavgayev and his associates, however, is that, should the dialogue with Dudayev begin, the Zavgayev government will be upstaged. So, the internal Chechen dialogue of Doku Zavgayev, who over the weekend met with leaders of several mountain regions in Chechnya and apparently agreed with them on an early signing of a peace and accord treaty, will clearly become a secondary event.

Almost simultaneously with "Grachev's initiative," a certain group of Russian Federation citizens in Moscow proposed launching a signature raising campaign in support of nominating Dzhokhar Dudayev for Russian president. The filing deadline at the Central Election Commission has expired, but in light of Pavel Grachev's statement, at least the General Prosecutor's Office, which launched a manhunt for Dudayev, has been placed in an embarrassing situation.

Russia: Peace Talks in Chechnya's Shelkovskaya Region Suspended

LD0603151596 Moscow INTERFAX in English 1306 GMT 6 Mar 96

[FBIS Transcribed Text] GROZNYY, Mar 6 (Interfax) — Peace talks in the Shelkovskaya region of Chechnya have been suspended until March 9, a Chechen government representative told Interfax Wednesday.

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The local administration has found a pretext for suspension of the talks. The region has announced an arms amnesty, and the arms that are given up are expected to be passed over to the federal troops. At the same time, illegal armed units have grown active in the Shelkovskaya region, stressed the source.

Russia: NDR's Belyayev Shares Impressions of Trip to Chechnya

MM0503171496 Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 1

[Report by Natalya Bachurina under the "Topic of the Day" rubric: "Sergey Belyayev: 'There Is No Way Through a Fire When No Attempts Are Made To Douse It....'"]

[FBIS Translated Text] A group of State Duma deputies from the "Russia Is Our Home" faction under the leadership of its chairman, Sergey Belyayev, has completed a tour of the North Caucasus. For almost two weeks its representatives, who from the very beginning of their parliamentary careers have spoken out in favor of a peaceful settlement of the military conflict in Chechnya, studied the situation in all the republics and krays of the North Caucasus, including Groznyy.

Today Sergey Belyayev intends to give a briefing to journalists on the results of the tour. However, he has already shared some of his impressions in an exclusive interview with ROSSIYSKAYA GAZETA.

Even their most fervent opponents would hardly risk calling the deputies' trip to the very heart of the conflict a hunt for political capital. Their businesslike approach, emotional restraint and restraint in their judgments, and their attempts to see as much as possible with their own eyes, to listen to various opinions, and to get to the heart of events did not go unnoticed in the Caucasus itself. There the deputation was regarded with some reason as being, so to speak, fully representative of the leader of the "Russia Is Our Home" movement, Viktor Chernomyrdin. The visit's purpose was clear — to facilitate the drawing up of a realistic plan for a peaceful settlement of the conflict, which a government commission headed by the premier is now tackling in earnest on the orders of the president.

"Unfortunately," Sergey Belyayev noted, "the conflagration is beginning to take hold of the territory bordering Chechnya. It is literally dotted with secret strongpoints to which the gunmen plan to withdraw after carrying out acts of terrorism.

"All this is, of course, very bad, but I can nevertheless confirm that everyone is tired of the war — even the most 'intransigent' gunmen. As they say: Spring may have come, but Chechnya still has troubles. Not only Chechnya, of course. Now is not the time to shoot but to plow. It is probably no accident that Dudayev's field commanders also willingly made contact with our delegation.

"We returned from the trip with a heavy heart but with the confidence that it was possible to bring about peace in the region."

...Will Russia pull itself free from the "Caucasian snare"? There is still no definite answer to this question. The only encouraging thing is that for the first time ever efforts are being made in various directions and by all the branches of power.

Russia: Over 3,000 Attend Pro-Zavgayev Rally in Urus-Martan

LD0503151696 Moscow ITAR-TASS World Service in Russian 1445 GMT 5 Mar 96

[By ITAR-TASS special correspondent Aleksandr Kharchenko]

[FBIS Translated Excerpt] Groznyy, 5 Mar (Itar-Tass) — A rally in support of Doku Zavgayev's government was today held in the Chechen town of Urus-Martan, just over 30 km southeast of Groznyy. According to Urus-Martan residents who visited Groznyy, over 3,000 people took part in the rally.

On 4 March the elders and the town's most respected people proposed that Urus-Martan militants should hand over their weapons and go home and that militants from other regions should leave Urus-Martan after destroying trenches, ditches, shelters and other fortifications they had dug out there. [passage omitted]

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CIS: ITAR-TASS Carries Press Review for 6 Mar

LD0603092396 Moscow ITAR-TASS in English 0532 GMT 6 Mar 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, March 6 (Itar-Tass) — Under the headline "Russia looks for new place in the world", the IZVESTIYA newspaper carries an interview given to the daily by Russian Foreign Minister Yevgeniy Primakov.

In the minister's opinion, Russia should protect its foreign policy interests more vigorously but without sliding to confrontation.

"If we could refrain from going in for foreign policy until we grow stronger economically and reach definite landmarks in our domestic development, if this could be translated into life, our foreign policy could be more efficient some time later and based on a firmer foundation.

"However, this cannot be done," the minister continued. "We live in a changing world, we should take this into account and adapt ourselves to these changes," Primakov stressed.

Turning to relations with countries of the Commonwealth of Independent States, Primakov stressed that they are now of top priority for Russia.

The ROSSIYSKAYA GAZETA newspaper features an interview with Finance Minister Vladimir Panskov where he mostly discusses problems of payment of wage arrears.

The minister noted that a possibility was found "to pay arrears to budgetary organisations, including power-wielding structures, by the end of March."

Asked about prospects for the development of the national economy over the next few years, Panskov said: "If the economic course is not changed, and I believe that this will not happen after the presidential elections, the economy will make headway".

Panskov reported that inflation amounted to 2.8 percent in February. "This is the lowest level in the recent past. The situation indicates that the level can be brought down to 1.9 percent," the minister emphasised.

Reporting from Chechnya, the KRASNAYA ZVEZDA newspaper gives considerable attention to the visit of Russian Defence Minister Pavel Grachev to the republic.

The KOMSOMOLSKAYA PRAVDA newspaper runs a report by its special correspondent about a military operation to free the town of Sernovodsk from Chechen rebels.

IZVESTIYA runs an article examining versions for a settlement in Chechnya.

Under the headline "Russia is in a blind alley, but there is a way out", the PRAVDA newspaper carries an interview with speaker of the State Duma (Russian parliament lower house) Gennadiy Seleznev where he describes a visit by a Russian parliamentary delegation to Ukraine, urgent problems of the country's political life and his relations with the Russian president.

The TRUD newspaper publishes an interview with Grigoriy Yavlinskiy, the leader of the Yabloko movement, entitled "I will tell where to take money".

According to IZVESTIYA, "the chicken war" with America has taken a very serious turn. The conflict suddenly erupted on February 16 when Moscow decided to stop issuing permits for the import of American chickens.

Events are developing now in such a way that this measure aimed, in principle, at protecting national producers of chickens and their consumers, will have a backlash against both of them.

Russian industries which are not connected with food production but depending on export of their goods to the United States, may also suffer, the newspaper notes.

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Russia: START II Might Be Shelved Until After Election

MK0603094796 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 96 p 2

[Report by Dmitriy Gornostayev: "Chances for Ratification of the START II Treaty Diminish More and More. Yesterday Closed Hearings on the Problem Were Held at the General Staff With the Participation of State Duma Deputies"]

[FBIS Translated Text] The previous hearing which took place last Monday did not satisfy State Duma deputies and therefore additional hearings were called. The number of those admitted to the hearings was rather limited: In addition to several deputies, there were officials from the Foreign Ministry, the Defense Ministry, and the presidential staff. In this connection the Duma International Relations Committee perceived yesterday's meeting at the General Staff not as hearings but as a meeting of people concerned.

As for the substance of the matter, there is almost a consensus in parliament about the need to block the ratification of the START II Treaty. According one influential Russian politician who earlier was a government member and is now a Duma deputy, there is virtually no chance that parliament will approve the treaty.

Presidential staffers are naturally confronted with the question: What is to be done to fulfill the obligations which Boris Yeltsin assumed by signing this document together with outgoing U.S. President George Bush? The politician in question advises presidential staffers to go through the motions of promoting ratification. It appears that such intrigue at present is counterproductive, even considering that there are too many flaws in the text of the START II Treaty, while the U.S. Senate for its part has added a number of substantial qualifications.

According to independence sources in the State Duma and the presidential staff, the decision on ratification of the START II Treaty will certainly be postponed until after the election of the head of state. At present the Kremlin is preparing a package of measures to overcome the crisis situation that has emerged around the treaty. Possibly they will soon be announced publicly.

According to NEZAVISIMAYA GAZETA sources, one of these measures will be the active elaboration of the now-forgotten draft of the START III Treaty, which Yeltsin first brought up back in 1994 at a Russian-U.S. summit in Washington. Furthermore, the departments which have to do with the problem of strategic arms reductions increasingly favor the need for the Russian side to make its own amendments to the START II Treaty. Evidently, in the course of yesterday's discussion at the General Staff, representatives of the executive branch sought to convince parliamentarians of the need for such an approach. According to NEZAVISIMAYA GAZETA sources, the deputies asked to see more documents — intelligence reports, data on Russian missiles, and so forth. The president's fundamental position remains the same: The treaty must be ratified.

Otherwise Russia will most likely fall into a U.S. trap. Citing Moscow's failure to address the question, Washington — and such fears are well grounded — could break the ABM Treaty, which will severely upset the balance of nuclear forces, certainly not in favor of Russia. Then Russia, for its part, will have to start creating a new ABM system, for which purpose another Uralmash [plant] will need to be built. And money is yet to be found for that.

Russia: 'Guarantees' Needed for START II Ratification

MM0503164396 Moscow KRASNAYA ZVEZDA in Russian 5 Mar 96 p 3

[Article by Gennadiy Obolenskiy under the "Expert's Opinion" rubric: "START II: Russia Needs Guarantees"]

[FBIS Translated Text] The Russian State Duma recently began examining the question of the START II Treaty's ratification. Its very first discussions showed that there are quite a few conflicting views of this treaty. In my view, if we are to take a stance which corresponds to Russia's state interests, it is necessary to consider all the factors connected with the limitation of strategic offensive weapons (START) from the perspective of the present and the future.

To begin, let us recall how the START I Treaty was prepared. At the talks on its conclusion the sides considered not only the problem of limiting strategic offensive weapons but also the fate of shorter-range systems. After all the latter, if deployed in Europe for example, become strategic weapons as far as our country is concerned. Furthermore, ABM defense systems, primarily space-based, were examined at the same time. It was necessary to ascertain whether the development of the SDI system announced by R. Reagan in March 1983 is legitimate [pravomochno].

A common understanding was reached that the START Treaty cannot be implemented until an accord is reached on shorter-range and ABM systems. Furthermore, shorter-range systems were initially taken to mean not only missiles with a range of 500-5,500 km

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but also tactical aviation. Once again this was based on the assumption that NATO's tactical aviation based in Europe may be regarded as strategic aviation as far as the USSR's territory is concerned. However, the sides soon agreed that there is no point linking the limitation of tactical aviation to the START Treaty. The logic was that the Warsaw Pact countries were situated between the NATO countries and the USSR. Consequently the Soviet strategic nuclear systems seemed to be beyond the reach of NATO and above all U.S. tactical aviation.

Ultimately it was agreed to ratify the treaty envisaging the elimination of all intermediate- and shorter range missiles within three years. Agreements were also reached on guarantees of the retention of the 1972 ABM Treaty in the form in which it was signed. Only then did the START I treaty become practicable.

A similarly principled but more balanced and cautious approach should be applied to the START II Treaty. After all, with lower levels of strategic offensive weapons (6,000 warheads in the START I Treaty and 3,000-3,500 in the START II Treaty) the factors I have cited assume greater significance. Especially since, with the advent of a Republican majority in the U.S. Congress, the situation in the ABM sphere has changed sharply.

First, the current U.S. Administration (which could be replaced at the end of 1996) will have great difficulty resisting the Congress' intention to withdraw from the ABM Treaty. (Incidentally, the U.S. Senate has ratified the START II Treaty with conditions on the development of ABM systems and the possibility of withdrawing from it). But even the administration, which opposes withdrawal from the ABM Treaty, is not aiming to retain this agreement after 2003. Yet that is precisely when Russia will eliminate its strategic offensive arms, primarily its ground-based MIRV'ed ICBM's, once and for all. Whereas in accordance with the START II Treaty the United States is not eliminating anything physically but is simply removing some of the nuclear warheads from its strategic offensive weapons.

It is perfectly obvious that in these conditions Russia should demand additional guarantees. And they should be discussed not after Russia destroys its weapons in accordance with the START II Treaty but now, before its ratification. To a certain extent such a guarantee could be provided by the extension of the cuts process to 2007-2008 (rather than 2003 as is envisaged now). It is perfectly logical and legally valid to put the question in these terms: The START II Treaty was signed 3 January 1993 and the necessary cuts were planned to take 10 years. To enable Russia to avoid straining its economy, why should it not now point out that it is cutting its weapons according to the schedule envisaged by the treaty which has been signed. But the cuts process should begin from the moment of its ratification, especially given that the U.S. Congress did not ratify the START II until January this year.

Second, the problem of distinguishing between strategic and nonstrategic ABM systems emerged recently. The point is that the 1972 ABM Treaty seems to ban that part of an ABM system which could upset the strategic balance. At the same time it does not set limits on the potential of ABM systems which are supposed to counteract tactical missiles. At the same time science and technology have now reached such a level that an ABM system could be developed in the guise of an ABM tactical system which would upset the strategic balance and render the START II Treaty meaningless. Thus, in order to prevent this happening, talks are now being held to distinguish between tactical and strategic ABM systems within the framework of the existing ABM Treaty. After meeting with Secretary of State Warren Christopher in Helsinki, Russian Foreign Minister Yevgeniy Primakov recently made the examination of the START II Treaty in our country dependent on reaching an accord on this distinction.

The Russian Federation State Duma should probably also declare its agreement with this approach and wait to see whether such an accord is reached or not. Such an approach will not only shed light on the sides' positions but will also intensify the progress of the talks on the demarcation of ABM systems.

There is obviously also the question that tactical nuclear weapons could move closer to the Russian border if NATO expands eastward. According to NATO's rules, tactical aircraft carrying nuclear weapons, for example, could be stationed on the territory of NATO member states. In that event the balance of strategic forces will be upset. (Let us recall that tactical aviation can play a strategic role). To prevent such a development of events we must state firmly once and for all that we are opposed to NATO's eastward expansion. And of course we must link the START II Treaty to this problem.

And finally State Duma deputies must have a clear idea of what should be cut, and how and what should be developed in its place. And how the Russian strategic nuclear forces' combat readiness will be maintained, and how the Russian Federation's interests will be safeguarded.

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Russia: Moscow Nuclear Security Summit To Transform G-7 Into G-8

LD0603114696 Moscow ITAR-TASS in English 1051 GMT 6 Mar 96

[By Valeriy Sevryukov and Tatyana Selivanova]

[FBIS Transcribed Text] MOSCOW, March 6 (Itar-Tass) — "The forthcoming Moscow summit for nuclear safety to be held on April 16- 20 will become a precedent of G-7 being transformed into 'G-8'," director of the USA-Canada Institute Professor Sergey Rogov told a news conference on Tuesday.

"The elite club of the leading powers has so far only invited Russia to discuss political matters, keeping it away from discussions on the matters of world economy," he emphasized.

Thus, the prospective of setting up the 'big eight' with Russia's participation would both meet its interests and strengthen the positions of the state on the world arena, Rogov said.

The distinguishing feature of the Moscow summit, according to Rogov, will be the fact that Japan and Germany, making part of the G-7 but having no nuclear weapons, will be able to equally discuss nuclear safety problems.

This fact "may play a very important role in consolidating the non-nuclear status of Japan and Germany with simultaneously enhancing their political status in the world," Rogov said.

Russia: Primakov Cables Sympathies to Israel's Baraq Over Bombings

LD0503191996 Moscow INTERFAX in English 1719 GMT 5 Mar 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, March 5 (Interfax) — Russian Foreign Minister Yevgeniy Primakov sent a telegram to Israeli Foreign Minister Ehud Baraq expressing his sympathy for the victims of the most recent terrorist attacks in Jerusalem and Tel Aviv, ministry spokesman Mikhail Demurin said Tuesday.

The crisis situation in the Middle East will "be discussed Tuesday at a meeting between Russian Deputy Foreign Minister Viktor Posuvalyuk and Israeli Deputy Foreign Minister Natan Meron," Demurin said.

Russia "decidedly condemns the criminal, irrational acts of extremists who are fighting against the real wishes of both the Palestinian and Israeli people for peace, and who would again plunge the region into the gulf of suffering and blood," he said.

Russia hopes that "the pain and anger caused by the terrorist acts will not sway the participants of Israeli-Palestinian talks from the only right path, which is to continue a constructive dialogue and search for mutually agreeable solutions to the remaining problems in hopes of achieving a general peace," Demurin said.

Russia: Foreign Minister Primakov on Current Issues

MM0503164796 Moscow IZVESTIYA in Russian 6 Mar 96 p 3

[Interview with Russian Foreign Minister Yevgeniy Primakov conducted by IZVESTIYA political commentator Stanislav Kondrashov; date, place not specified: "Russia Is Seeking a New Place in the World"]

[FBIS Translated Text] [Kondrashov] You are regarded as a realist and pragmatist. But realism is a heavy burden. Can the foreign policy of a state which essentially has still not been built from within on new foundations be completely rational and well thought out?...

[Primakov] If we could not engage in foreign policy until such time as we had gained strength on the economic plane and emerged at a definite goal in our domestic development, if this could be accomplished in real life then possibly our foreign policy after a certain time would be more effective and be founded upon a firmer base. But this cannot be done. We live in a changing world...

[Kondrashov] Yevgeniy Maksimovich, you have had many occupations in your life. You were a journalist writing on international affairs, then you engaged in the scientific study of international relations and headed two academic institutes. In recent years you have engaged in state foreign political activity but in two very distinct forms: head of the Foreign Intelligence service [SVR] and now as foreign minister. In both capacities you, of course know international life thoroughly and all its ins and outs, so to speak. But what is the difference between these two positions? How do you perceive it from within and, moreover with fresh eyes having recently taken up your duties as minister of foreign affairs?

[Primakov] Differences certainly do exist. Intelligence operates by specific methods whereas the Foreign Ministry has diplomatic means. But I must say that the four years and four months that I spent at the SVR have helped me a great deal. I obtained essential information which I am using even now as foreign minister. I can frequently see more clearly the nitty-gritty of those matters which I am observing and of the stances against which I come up.

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[Kondrashov] At you former post you were, so to speak, a silentiary, you kept mum, for obvious reasons. But your post is now a very open one, very public and you have to speak out. As a silentiary yesterday, how far are you prepared to satisfy journalists inquiries?

[Primakov] I think that I have to meet with journalists considerably more frequently in my new role and to be far more open than before.. Incidentally, reserve is not a trait of my character but rather a reflection of the reality with which I had to deal as head of foreign intelligence. As for the present time, I can understand journalists' questions and journalists' desire to delve into the details. I myself was a professional journalist for 15 years and did exactly the same. But all the same I have to say that as a minister there are parts of chats and of the elucidation of positions, and confidential conversations which are conducted with foreign partners which must not become public....

[Kondrashov] Even in the form of information without attribution or attributed to anonymous "authoritative sources"?

[Primakov] Yes, it can be done without attribution, when necessary. However, it is impossible with attribution because in that way you rule out the likelihood that in the future your interlocutor is going to carry on a confidential conversation with you.

[Kondrashov] You are giving this interview after a three day visit to Strasbourg and Bratislava — your first foray as foreign minister into Western and central Europe. There were two different reasons. In Strasbourg you definitively formalized Russia's entry into the Council of Europe, while in Slovakia you were making a ministerial visit. What were the results?

[Primakov] These were two totally different missions. I indeed flew to Strasbourg to definitively formalize our entry into the Council of Europe. I think that a total consensus exists in our society and concurrence with this step, and I value very highly the efforts of our parliamentary delegation which was at the Parliamentary Assembly of the Council of Europe and which received its support in the aspiration to join the Council of Europe.. Moreover our parliamentary delegation consisted of representatives of various parties which adhere to different views. However, all of them agreed on one thing: that we need to be in the Council of Europe.

[Kondrashov] So, in that sense, a common language was found between the Foreign Ministry and Parliament which, to put it mildly, has not always happened.

[Primakov] Such a consensus exists on a number of issues. Evidently, this is natural: Foreign policy defends state interests. But if that is so, then to a certain degree it is common state policy. In this sense foreign policy is very different from domestic policy. I think that in society we have a consensus on the fact that we need to proceed toward a rule-of-law state, toward the supremacy of the law, to the defense of human rights. All these elements have been consolidated, have been recognized, and have been developed in connection with our entry into the Council of Europe.

Obviously there is also a consensus on another issue and here I am passing on to my trip to Slovakia . It resides in the fact that we need to have good relations with the countries of central and Eastern Europe which even quite recently were our partners both in the Warsaw Pact which has ceased to exist and also in CEMA which is also nonexistent now.

[Kondrashov] In Bratislava did you broach the question of plans for NATO's expansion toward the East?

[Primakov] Slovakia belongs to the Visegrad Group which consists of four states which believe that they need to be admitted to NATO first. I told my Slovakian partners that Russia is far from laying claim to a right of veto on the entry of this state or another into Nato, but that Russia is absolutely entitled to defend its own interests.

NATO's expansion is not in Russia's interests and I think that the unity of Russian society, the unity of the Foreign Ministry with practically all factions in parliament, is manifested in establishing this. The expansion of NATO creates a deteriorating geopolitical situation for us. Nor is it in our interests from a military viewpoint because it is a question of advancing the infrastructure of a powerful military bloc up to our borders. And, psychologically, if you like, we do not find this fact easy to accept.

[Kondrashov] Here's a question with a certain amount of preliminary discourse. The second month of your tenure of the new post is drawing to a close. Over this period you have flown to Mink, Kiev, Dushanbe, Almaty, you have visited Tashkent twice, and you have toured the majority of CIS countries — the former union republics which have now become independent states. You have thereby in practical terms staked out a definite emphasis which, incidentally, you stated in your first press conference. At the same time you have met with the U.S. secretary of state, the foreign ministers of Germany, France, Great Britain, Italy, Norway.... I would like you to share your key impression, as it were, of these two months and dwell in more detail on those accents and priorities which you have already marked out by your actions, meetings, and visits.

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[Primakov] I want to begin with the fact that the problem of our mutual relations with the former "Cold War" adversaries is one of the chief ones. At a certain stage we did everything to smooth those relations out. But here I refer to Mao Zedong who said: to straighten something out you have to bend it. We must have overbent it. In any case I don't think that we are talking about a strategic alliance with our former "Cold War" adversaries. But we have to talk about partnership — about civilized partnership — and with some — about privileged partnership. But in any event, this partnership must be equitable and not a partnership of the leader and the led who mimics the leader in his every move.

I spoke about this openly to all my Western colleagues and to Christopher in particular. And in general we reached agreement about opening up the concept of equitable partnership: consultations of course; don't present each other with faits accomplis; if one side is thinking through some steps which could affect the interests of the other side, it must inform the other side in good time about the steps being prepared; understandings which we reach have to be implemented. And if we do not reach understanding, we must strive to find a solution.

To sum up I would say: The dialectic of foreign policy for Russia now lies in upholding our interests more vigorously and effectively but at the same time not letting events slide toward confrontation and "Cold War."

[Kondrashov] In recent times, when the world was dominated by two superpowers, the Soviet Union and the United States, I, as a journalist specializing in international affairs and a student of America, often had the impression that we were looking right through Europe, so to speak, looking over its head, at America alone. We were obsessed with relations with America. Now, for us, the most important priority of all is relations within the CIS, with the CIS members. It seems to me that this is not simply a matter of foreign policy. Until Russia finds a reasonable level of relations with these states, it will not find itself or its place in the world. And a huge number of Russians [russkikh], citizens of Russia [rossiyan], will not find a way to their 25 million brothers and sisters who have remained outside the new borders. Integration within the CIS is a course which has emerged and apparently meets with no open objections. But what kind of integration? What, in your view, would be the ideal measure, the ideal structure of such integration?

[Primakov] I agree with you in the sense that relations with the CIS countries are now a priority for Russia. I agree with your opinion that this is the way for Russia to "find itself" — to find itself as a great power. I wish to say also that all the integration processes that are happening and will happen in the CIS indirectly influence Russia's links with other states, in particular the United States.

First and foremost these integration processes are objective in nature, which some people fail to understand. Furthermore, they are not aimed at reviving the Soviet Union. The restoration of the Soviet Union in present conditions is impossible, because it is impossible to reverse the sovereignty that the former republics of the Soviet Union have gained.

[Kondrashov] All the same, what, in your view, is the ideal measure of integration, and who are potentially our closest partners on this path?

[Primakov] I believe that the specific character of our integration may lie in different levels of the integration process. Certain states may break through into the "leading group" and go much farther along the path of integration, much deeper along the path of the unification of their economies and the creation of supranational structures to which some of their sovereignty will be delegated, as is being done, I wish to stress, in Western Europe — while retaining, naturally, the sovereignty of states. Maybe there will be a group that does not immediately accept all this, it will size things up, study others' experience, and then decide whether or not to go for it.

[Kondrashov] Who are candidates for, or already members of, the first and second group?

[Primakov] There is reason to think that we will advance most of all in integration links with Belarus, and after that possibly with Kazakhstan and Kyrgyzstan. Why do I believe, touching on this subject, that it also affects our relations with the West? I have the impression that the integration taking place in the CIS countries could become one of the irritants in our relations with the United States and certain West European countries.

[Kondrashov] There is a certain cautiousness on their part. This is noticeable in the United States. For them, the very word "integration" sometimes seems unacceptable. And many people simply interpret Moscow's attempts to implement integration of this kind as the impulses or reflexes of neo-imperialism, Russian imperialism. They ultimately exploit this in a kind of anti-Russian campaign. What do you say to that?

[Primakov] I think they are repeating our former weaknesses and mistakes, only worse. I remember our unequivocally negative attitude in the sixties and seventies to integration processes in the West European countries.

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At that time we thought, in general, that under capitalism, integration could have no objective basis, and that in fact the United States was creating an imperialist base through NATO. And that it would all unravel anyway. Now this approach is echoed even in Western terminology. In a mirror image, so to speak. Once again there are the arguments that integration is not objective, that someone is imposing it, that it is a case of imperial ambitions — Moscow's, this time. They simply do not understand that the impetus for integration is coming from all sides, and maybe not even to the greatest extent from Moscow, because, for instance, many people in Moscow's economic ministries think that economic reform should be carried out purely on Russian territory, so as to do it at least cost. I totally disagree with them, because Russia's future, especially after the upswing in our industry — and that upswing is not so very far off — lies in conquering the markets that there were and are in the republics of the CIS.

[Kondrashov] But apart from the economic aspects there are also other aspects of integration — political and legal, for instance. Having joined the Council of Europe, we will try to meet European legal standards. Is there a possibility of, so to speak, a Council of Eurasia, in which Russia, in turn, would act as a country with more advanced democratic achievements?

[Primakov] I would not dwell right now on the names of this or that council or alliance, commission, or committee. But I support the idea itself. Russia could indeed be the locomotive for integration for CIS countries in the Asian sector.

[Kondrashov] Russia is accused of some kind of neo-imperialism. But in Central Asia, could there not be attempts to return to a kind of neo-feudalism? In this respect the Russian example and Russian democratic institutions could clearly be useful for our former neighboring republics, now CIS members.

[Primakov] I am not so critical in my attitude to the state of affairs in Central Asia. I do not think there can be any question of some kind of revival of feudalism there. A democratic process is taking place in Central Asia too. Maybe not at such a rapid pace, but that, it seems to me, is only natural. I once heard someone use the illustration of a deep-sea diver. If he is brought to the surface suddenly, he may suffer from the bends. And the societies in certain republics of Central Asia need a smoother transition, so to speak, to democratic values. In fact, forcing the pace does not always lead to good results even in other parts of the former Soviet Union.

[Kondrashov] Is there not another counterweight to democracy there — in the shape of Islamic fundamentalism, which sometimes borders on extremism?

[Primakov] All the Central Asian republics of the former Soviet Union — I wish to stress this — believe that the Islamic state model is unacceptable for them, and reject the imposition of this model by anyone whatever. They believe that their path lies through the creation of a secular democratic state. As for Islamic fundamentalism, I do not think it should be confused with Islamic extremism. Extremism is the forms through which a particular group or movement may reveal itself, trying to export and impose the Islamic way of life, the Islamic model, sometimes by the use of armed force.

[Kondrashov] Generally speaking, we are drawing, or rather have already drawn, a line beneath the era of romanticism in foreign policy which was typical of 1992-1993 and led to a reverse reaction in Russian society. People at that time felt that we could have ideal and perfectly harmonious relations with the West and that the new Russia could be built according to, let us say, the U.S. model. This did not happen and could not have happened. And the reverse reaction took the form of jingoistic nationalism prompted by a sense of humiliation and the implanted feeling that everything that was built by previous generations of our people and everything for which they lived had been pointless.

What we need is realism. You are indeed perceived as a realist and a pragmatist. But realism is a heavy burden. Can a perfectly rational, well-considered, and long-term foreign policy be pursued by a state which is essentially not yet built from within on new foundations, a state which lacks an efficient economy, adequate unity in society, and even a common nationwide or statewide idea?

[Primakov] If we could afford not to pursue a foreign policy until such time as we are economically strong and achieve certain parameters in our domestic development, if this could actually happen in real life, then our foreign policy could possibly, after a certain period of time, be more effective and based on a more lasting foundation. But this cannot be done. We are living in a changing world and must bear this in mind, we must adapt to these changes. Not in order to — and I repeat this — copy someone else's progress. It is necessary to struggle against destabilizing factors, try to extinguish the hot spots existing in the world, actively participate in the elimination of conflict situations, act against international terrorism, and create the most favorable conditions for economic development within the country. Finally, it is necessary to create the most favorable conditions for preserving Russia's integrity — this is one of the main priorities today.

All these questions will be resolved only by the foreign policy of a great state. Therefore, it is necessary to

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pursue a diversified and active policy along all avenues wherever Russia's interests are affected. This is nothing to do with our vanity. It is simply a vital necessity for creating the best possible conditions for domestic development — a more dynamic and more effective development in our changing world.

[Kondrashov] You have essentially enumerated the sum total of Russia's national interests which, if truth be said, are not yet finally determined.

[Primakov] I would like to add two more aspects. First — during the transition from a bipolar to a multipolar world, Russia must play the role of a counterweight to the negative trends emerging in international affairs. Not all the centers of forces determining this multipolarity have been formed during the process of this transition. In these conditions, someone would try to dominate.

[Kondrashov] Do you mean the United States?

[Primakov] Let me diplomatically avoid naming the state in question, I have already learned some diplomacy. Even the Near East countries which believe that the United States is advancing the process of peaceful settlement — and let me emphasize that this is indeed so — even these countries are interested in seeing Russia's active participation in the peace process. It is not a question of these countries simply remembering times past, but a question of their wanting to have a counterweight to aspects which are disadvantageous for them and could stem from the domineering role played by just one power in this process.

And another point to which I would like to draw attention, NATO's expansion could be another irritant in our relations with the West. We are not so primitive as to believe that an expanding NATO would immediately be used to strike against Russia. This is of course not true. But if tactical missiles with nuclear warheads were to be deployed on the territory of new NATO member states, these missiles would have flight times equal to those of the Pershing-2 missiles which were destroyed in the past as medium-range missiles under the treaty. And we must take this into account. Our military, who bear a tremendous responsibility and are professionally answerable for defense questions, will demand additional appropriations and we will be bound to give them to them. This is very complex for us now. Very complex.

On the other hand, we are told: NATO is not aimed against you. President Clinton recently declared that Russian missiles are not targeted against the United States and that this is one of the really major U.S. achievements in the recent past. This is indeed so. Our missiles are not targeted on anyone. But would the West applaud us if were to now build up the pool of these "untargeted missiles?" Of course not. So, why should they apply a different measuring stick to us, feeling that we should accept NATO's expansion, even when it is not aimed against Russia?

[Kondrashov] It seems to me that, in this painful problem of NATO's eastward expansion, Russia's reaction also contains a very strong psychological element. Russia feels that it has been deceived and almost betrayed, seeing that it has abandoned the path of confrontation and is being repaid with black ingratitude — suddenly a military bloc, which is expanding by admitting new members states, is getting closer to its borders. It is no accident that Russian society has produced a kind of consensus of suspicion as regards NATO's expansion plans.

[Primakov] Without any doubt. I must say that, in all likelihood, our Western partners incorrectly interpreted the signals from Moscow at some stage. In this case I am not, of course, talking about the president because he has been consistently opposed to NATO's expansion. While I was still head of the Foreign Intelligence Service we published an open document which expressed with utmost clarity our negative stance toward NATO's eastward movement. The document appeared at a time when some departments held a rather vague stance on this question. Thus, I must say, all the ideas contained in that report were approved by the president at the time.

Russia: Need for More Assertive Foreign Policy Seen

MM0503163696 Moscow PRAVDA in Russian 5 Mar 96 p 3

[Article by PRAVDA political observer Richard Ovinnikov: "Are We Traveling the Right Course? About a Foreign Policy Worthy of Russia"]

[FBIS Translated Text] The catastrophic results of the Yeltsin regime's foreign policy are clear. Friends and allies have been lost. International guidelines have been placed under outside remote control. The influence of a country that used to be a major factor in world development has collapsed. So the conclusion is also clear: Before it is too late, we must change this fundamentally fallacious foreign policy course, which is suicidal for Russia, and determine the main foci of a qualitatively different international strategy for the Russian state.

Above all, there is probably a need for a sober approach: The international clout of today's Russia has been seriously undermined. So we need to focus efforts on critically necessary tasks, to avoid mistakes in choosing

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partners and considering probable opposition, and not to overlook promising opportunities. What does this mean in practice? After all, the devil is in the details, as the saying goes. In our view, the optimum foreign policy course for the Russian Federation should be based on the following foundations.

First, the initial premise: It is vitally necessary to actively uphold fundamental national-state interests in the foreign arena. The policy of self-abasement, passiveness, and unprecedented servility ("foreign countries will help us") is a certain source of trouble. Mankind's experience is clear: A great power makes itself with its own hands. Nobody has ever nurtured competitors. Only if we bury our present submissiveness can we expect Russia to have a fitting place in the world of the 21st century. Dynamism in the international arena is what is needed above all.

Second: We must concentrate on reviving and strengthening Russia's Eurasian roots. They are the guarantee and basis of its identity and independence. Therefore the definite priority is to recreate a favorable environment [okruzheniye] on the Russian Federation's present perimeter.

We cannot find any better or more tested friends than the CIS brother-peoples, who have together shed sweat and blood for the sake of a common future. The most reliable solution for everyone is to unite efforts and reconsolidate the post-Soviet space — on a voluntary basis, of course. There is no need to fear hypocritical accusations of imperial ambitions. Why is the United States expediting integration with Canada and Mexico? Why is the European Union closing ranks? It is all the more essential for us to eliminate the unnatural glitch in joint regional development.

Good relations with our immediate neighbors are also important. Here too there is a need for initiative. It is the fact that Kozyrev's diplomacy stubbornly ignored the East European countries that made overseas siren voices attractive to them. Great China is another neighbor. Broad, mutually advantageous cooperation with it makes it possible to provide an answer to many problems, including the geopolitical balance, which has changed, and not in our favor.

Third: We must urgently straighten out our relations with the West, which have become unequal. Nonconfrontation must be mutual, collaboration must be honest, without hidden grudges. Our vital interests must not be infringed.

We need to test the Western powers' real readiness for this. A key test of their sincerity is the question of NATO's nonadvance toward the East. After all, the United States earlier assured us that NATO would not move an inch eastward. But now this military bloc wants to move right up to our borders. The reliability of our means of nuclear deterrence assumes particular importance in these conditions. But it is being undermined by the START II treaty imposed by Washington with the connivance of the Kremlin. Under the treaty Russia is supposed to destroy all its MIRVed land-based ballistic missiles. However, we are unable to replace them with the number of number of cassette warheads on submarine ballistic missiles required for security. Our ruined economy cannot afford this. Is the United States prepared to remove this insidious trap? If not, Russia will have to seek a unilateral solution in supreme state interests. There is also another litmus test — the West must at long last abandon the discriminatory restrictions on our country in the trade and economic sphere.

Constructive relations with the Western powers can be based only on equality and reciprocity. Anything that runs counter to this or entails uncompensated concessions on our part must be firmly rejected. Who is going to respect a power that allows itself to be undermined?

Fourth: The question of what sort of general line the Russian Federation should espouse in the international arena is critically important. Clearly, the most correct and productive guideline would be to promote in every way the cardinal improvement of interstate relations in general. This goal meets the vital interests of the overwhelming majority of the planet's countries and peoples. So sizable political potential for establishing broad international coalitions in favor of just and lasting world peace exists here.

Consequently an active foreign policy strategy founded on these cornerstone principles on the part of the Russian Federation, a great and peace-loving power, could be productively focused on the following spheres, for instance.

First of all the renewal and deepening of the demilitarization of international relations and thereby the further reduction of the material basis for waging wars. There are two key angles here. One is the fight to replace bloc politics, which inevitably lead to confrontation, with a — most reliable — system of collective security for states, as envisaged by the UN Charter. The other is the start of a coordinated radical reduction in military budgets. It is unnatural when one country — the United States — spends on excessive arms levels almost as much as the whole rest of the world. Who if not Russia and the other CIS countries, which have made deep cuts in their military spending, should take the initiative

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in ensuring that other states follow their example? And of course, the first to do so should be those with the biggest military budgets, budgets significantly exceeding the levels of sensible defense sufficiency.

There is also a need for international rallying of efforts in favor of protecting states' sovereignty and independence. Nobody must be allowed to refashion the world in their own image and likeness, extirpate pluralism of development, and interfere in states' internal affairs. The present interventionist mood and practice in this respect, as exemplified in the former Yugoslavia, can and must be ended. Not at once, of course — that would be unrealistic — but gradually, step by step, through joint fettering actions by those countries for which the protection of their independence and sovereignty is a matter of life and death. Just one thing is needed for a catalyst here in order to begin — a pole of attraction. Surely this is a lofty duty?

Another thing is pressure with regard to advancing the democratization of international relations. Despite the existing clear backlashes in this regard and the intensifying concentration of key decisions in the hands of an increasingly narrow circle of states, above all the "G-7" industrially developed Western countries, there is no alternative to persistent elimination of this abnormal situation. The more resolutely this is promoted, the sooner the process of the democratization and humanization of international life that was so characteristic of the period of balance of forces between East and West can be implemented. A notable stage along this path would be expansion of the membership of the Security Council, the main UN organ for the maintenance of international peace. Not only the nuclear powers, that strong-arm factor, but also justice — all five geographical groups within the United Nations, namely East Europe, West Europe, Asia, Africa, and Latin America — must be stably represented within it.

A Russia with its own identity is capable of assuming leadership in the demilitarization and democratization of international relations and in the defense of states' freedom and independence. In this connection it would be useful to restore the highway for our country's foreign policy activity along which the Soviet Union was so active — and so effective. I am referring to the mobilizing force of the United Nations, the broadest international forum, in the name of defending and asserting the lofty goals, principles, and specific provisions of that organization's charter.

That is the proud Russia — confident of the justice of its cause, dynamic, and improving the entire international situation — that the world needs. This role is also important in another respect. It will contribute most effectively to the all-around rebirth of our motherland.

Russia: Lukashenka Visit Implications Viewed

MM0503144496 Moscow SELSKAYA ZHIZN in Russian 5 Mar 96 p 1

[Article by Marat Glinka: "No Way Back"]

[FBIS Translated Text] Slightly more than 100 days are left until the election of Russia's second president — an insignificantly small period in political games when moves are being calculated for years ahead. And whatever may happen in our country any event today should be viewed from one angle — the election angle. And the first official visit to the Russian Federation by Belarusian President Alyaksandr Lukashenka which at another time could have remained an ordinary protocol event has on this occasion become what is without exaggeration an historic event. Because did there not loom ahead the entirely real danger that he might lose the power he so loves, President Yeltsin would hardly have embarked on such an extraordinary step as assuming the fulfillment of a very important point of the CPRF [Communist Party of the Russian Federation] program adopted back in January last year: "Representative organs and the government... will do everything to promote the economic and political integration of the republics" formed on the territory of the "divided Soviet Union."

Until recently Gennadiy Zyuganov would have been for B.N. Yeltsin the only serious rival whose program openly proclaimed that idea. As for the democrats, they persistently buried it. Let us recall events of recent years. From the first days he came to power Alyaksandr Lukashenka, who replaced Stanislav Shushkevich, one of the "Belovezhskaya forest die-hards" in the post largely thanks to his refusal to accept the split, has tried to set up closer ties with the Russian Federation. Belarus, whose people voted unequivocally at a referendum for rapprochement with Russia, has according to State Duma Chairman Gennadiy Seleznev, become the "locomotive of integration" on the territory of the former USSR. But Moscow has constantly tried to bar this locomotive's way. Thus, a year ago the idea of creating a single ruble area was buried and our Western neighbor had to urgently print "zaychyki." Russia was obviously delaying the issue of compensation for the nuclear arms withdrawn from Belarusian territory, pushing its friendly neighbor toward resolving this problem in the Ukrainian manner with Western aid. Payment for training Belarusian military men at Russian educational establishments was raised to inconceivable levels, which once again prompted Minsk to transfer the training of its army command personnel to NATO mentors.

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And so on and so forth — it seemed there would be no end to such examples. Their sources lie on the surface: A pro-Western Belarus, closing the breach between Ukraine and the Baltic states, would make it possible to tightly enclose Russia, concerned at the expansion of NATO's sphere of activity. The "Belarusian factor" has begun to play an increasingly large part in the West European states' policy. And it is probably no accident that the rapprochement of the two Slav peoples was preceded by the resignation of pro-Western Foreign Minister Kozyrev who, incidentally, would constantly recall that he was merely precisely fulfilling President Yeltsin's instructions.

The situation changed when it became clear that Boris Nikolayevich was clearly losing out in public opinion to the leader of the CPRF — a recent poll showed Gennadiy Zyuganov's rating was twice as high and the incumbent president shares second and third place either with Zhirinovskiy or with Yavlinskiy. "President Yeltsin has finally found a most effective trump card which it is very hard for any opposition to beat," the newspaper SEGODNYA raves, commenting on the president's words about the creation of "supranational organs" of management for Russia and Belarus uttered — and, I think, it is no accident (there are no accidents in serious politics) — in the Kremlin's Hall of Facets where the most important state affairs used to be discussed long ago by the Boyars' Duma and where at the 1653 Assembly of the Land it was decided to reunite Ukraine with Russia.

And so what inevitably had to happen has happened. An agreement has been signed on the mutual regulation of financial claims between the two states and there have been consultations not only between the Russian and Belarusian presidents but also between their defense and foreign ministers and between the heads of the economic departments. It has been stated officially that as early as March a closer Russian-Belarusian treaty will be signed. According to Alyaksandr Lukashenka "it is planned to decide whether or not to create international or supranational structures for the unified leadership of the national economy. This treaty will determine whether we shall have a common budget and expenses on financing joint economic and military programs" And President Yeltsin voiced the certainty that Kazakhstan and Kyrgyzstan would accede to this treaty. The plan is a broad one and if it is implemented could cause substantial geopolitical changes.

The reaction of various mass media to this event is interesting. KOMMERSANT DAILY — a newspaper which calls itself "the organ of the new Russians" — tries in every way to belittle the importance of what has happened and writes that "Lukashenka does indeed want to become a dictator of fashion — at least communist fashion." The government's ROSSIYSKAYA GAZETA and the president's ROSSIYSKIYE VESTI are trying to present the matter as though the integration of the CIS countries had always been Boris Yeltsin's cherished dream. And radio and television are voicing the hope that the future agreement will be a trump card in his election game. As for the latter, it was no accident that Alyaksandr Lukashenka, answering journalists' questions, said that he is sure that if Zyuganov wins the forthcoming presidential elections in Russia he will pursue a policy of integration. And then he stressed that the Russian people will know how to make the correct choice and that choice has already been made.

It is entirely possible that the Russian president's actions are nothing more than a populist electoral ploy. But the logic of the development of events is such that when he has taken this step he will no longer be able to turn back — the people, who have suffered for this idea, will not allow it.

Russia: Project Envisages Gas Pipeline to Balkans Via Turkey

MM0503142096 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Mar 96 p 2

["Own Information" report under the "Good News" rubric: "Via Turkey to the Balkans"]

[FBIS Translated Text] Energy integration continues to expand thanks to the "Gazprom" Russian Joint-Stock Company. A new gas supply project envisages primarily that the Mediterranean region's needs will be supplied — via Turkey to the Balkans. It is planned to obtain additional Russian gas volumes from Tyumen Oblast, mainly from Yamal gas condensate deposits.

The project's phased implementation is already under way: The new Frolovo-Izobilnoye pipeline will be brought into operation in 1997. Gas will flow through it to the North Caucasus region, where major underground hydrocarbon raw material storage facilities are concentrated. A considerable proportion of the fuel will be transported via the Russian integrated gas supply system.

The project's development envisages the creation of transit capacities on Georgian and Armenian territory as well as the construction of a new gas pipeline to Turkey, which in due course will have a technological connection to the existing gas pipeline in this country and to the gas transportation system in the Balkans.

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Russia: Producers, Consumers Hit by 'Chicken War'

MM0503173996 Moscow IZVESTIYA in Russian 6 Mar 96 pp 1-2

[Feature comprising reports by Yelena Yakovleva, Vladimir Nadein in Washington, and Nikolay Gritchin in Stavropol under the general heading: "Speckled Hen Versus 'Bush's Legs.' Defense of Domestic Producer May Affect Domestic Consumer"]

[FBIS Translated Text] The "chicken war" with the United States has taken a very serious turn. As you know, the conflict suddenly flared up 16 February when Moscow decided to stop issuing import licenses for the notorious "Bush's [chicken] legs" from the United States. Events are now developing in such a way that a measure designed in principle to defend domestic poultry producers and consumers will rebound on both. Russian industrial sectors which have nothing to do with food but which are dependent on exporting their output to the United States may also suffer.

On Monday [4 March] Senator William Roth, chairman of one of the most influential committees of the upper chamber of the U.S. Congress — the Finance Committee — demanded that the Clinton administration freeze all U.S. aid to Russia and cut imports of Russian metals, primarily aluminum. If these measures do not make Russia revoke its decision, the senator suggests that the U.S. Government should review its support for an extended IMF loan for Russia. The U.S. Administration has not as yet announced any retaliatory steps but, given the extremely politicized nature of the "chicken issue," tough measures can quite well be expected from Washington.

Double-Edged Scandal

[Yakovleva report begins] The "Bush's legs" scandal is peculiar in that it is a double-edged scandal. All the U.S. side's complaints regarding the violation of the rules of free trade can be directed equally successfully at the U.S. side itself.

Many Russian economists take the view that the cheapness of chicken drumsticks on the Russian market represents nothing more than covert export subsidies, a protectionist measure for U.S. producers, hampering the development of free trade just as much as the raising of customs duties in Russia.

"We can congratulate ourselves, if we have a trade war, it means we have joined the ranks of civilized countries," Doctor of Economic Sciences Yevgeniya Serova, head of the agrarian laboratory of the Institute of Economic Problem of the Transitional Period, said.

Customs duties on food imports were first set up in 1994. But U.S. chicken leg exports to Russia did not drop, because the average contract price fell. Last year food import duties rose, but that too failed to affect deliveries to Russia, since the introduction of the currency band, which benefited importers, made up for the losses.

The mere 5-percent increase in import tariffs promised for this year would not scare off the Americans, Yevgeniya Serova believes. This time the furor over chicken legs is due to the promise of more rigorous health checks by the Ministry of Agriculture. And those checks may mean bans on food imports.

Lidiya Tereshkova, head of the State Committee for Sanitary and Epidemiological Supervision Food Hygiene Department, claims that the committee has no great complaints regarding the quality of this produce. Although there have been cases of poor-quality livestock produce being delivered from the United States — with raised pesticide contents or unsatisfactory microbiological indicators.

Paradoxically enough, health checks as a means (on the Russian side now) of protecting our own producers may not work. The point is that the purchase prices of Russian poultry are lower than those of U.S. poultry. Consequently, the produce is competing not in terms of price but in terms of quality.

Ultimately it is customers who will suffer as a result of the restrictive health measures: the residents of big cities, which are not very open to the Russian producer owing to the city authorities' inability or unwillingness to help establish domestic commodity flow (simple things are needed — hotels, wholesale depots, refrigeration facilities, protection against racketeering). [Yakovleva report ends]

Why Washington Is Getting Irritable

[Nadein report begins] Washington — Official Washington has spoken harshly of the Russian Government's intention of hampering poultry imports from the United States. Speaking at a conference of the U.S.-Russian Trade Council, U.S. Under Secretary of the Treasury Lawrence Summers said that this "step back from open world markets" will without fail complicate Russia's accession to the World Trade Organization, for which "such measures are unacceptable."

High-ranking U.S. officials, including the agriculture secretary, consider the Russian authorities' fears as to the quality of the poultry imports unfounded. There is no threat to the health of consumers of U.S. poultry, this is "just an attempt to restrict trade."

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Over the last few years Russia has been the world's leading importer of U.S. poultry. Total sales of "Bush's legs" have topped $500 million per year.

The 1995 foreign trade results that have been published here point to an increase in the U.S. trade deficit. Russia is the only CIS country to have a trade surplus with the United States. It is not large, around $1.5 billion. And that is trivial in terms of overall U.S. turnover. But the administration reacts nervously not just to figures but to trends.

Last year the U.S. trade deficit reached a record high of $111 billion. Although the imbalance with its most difficult partner — Japan — has moved somewhat in the United States' favor, it is still vast — $59.3 billion as opposed to $65.7 billion in 1994. However, the trade balance with Mexico and China has dramatically deteriorated. The deficit with China has risen by 14.6 percent to total $33.8 billion.

The Russian finance minister's statement regarding his intention of raising import tariffs on a wide range of goods from alcohol to automobiles is considered a sinister sign in Washington. However, according to most experts, the results will be unpleasant for Moscow. "Ultimately, the main thing is the WTO," Daniel Amstutz, president of the North American Association of Grain Exporters, said, meaning the World Trade Organization. "Russia is sincerely interested in becoming a member of the WTO. However, high-handed trade restrictions and arrogance are incompatible with membership of this organization." Another specialist from the Agriculture Department thinks that "since it is not a member of the WTO Russia has a right to erect trade barriers again with ease. However, this will make it all the more difficult for it to become a member of this organization."

Some experts think that Russian Premier Viktor Chernomyrdin's statement regarding his intention of implementing a number of protectionist trade measures in 1996 should be viewed as part of the election talk. According to them, Boris Yeltsin is trying to snatch the trump card of "defending the domestic producer" out of the Communists' hands.

But it must not be forgotten that it is also election year in the United States. And people here too, like in Russia, are no longer frightened of hostile missiles. But the inflammatory speeches of the populist Pat Buchanan demanding that America be safeguarded against cheap foreign goods are meeting with an ever-increasing response from many voters. And Clinton just as hungry for re-election as Yeltsin.

The latest saga illustrates that the White House reacts with complaisance to political tiffs with Moscow. But business is another matter. It is possibly the only sphere where cautious Clinton is willing to bang his fist on the table. [Nadein report ends]

Unaffordable and Untasty

[Gritchin report begins] Stavropol — U.S. chicken legs are doing a brisk trade on the streets of Stavropol.

"There is a holiday coming up," a woman said with a smile after cramming two bags full of "Bush's legs," "and we are a big family."

Other people make no secret of the fact that they are laying in stocks after hearing about the impending restrictions on imports of the transatlantic produce to our country. My neighbor, who recently crammed her freezer full of the tasty goods, is among them. She likes them in every respect — in terms of external appearance, taste, and, most importantly, price. These days it is the cheapest meat in the kray center. My neighbor wholly directs any thoughts of Russia's food dependence at the politicians. And she considers the veterinary surgeons' complaints about the chicken legs to be far-fetched.

"Since the Americans keep the wings and breast meat for themselves and are not dying as a result, the legs must be edible."

The increased demand was not long in affecting prices. Whereas in the middle of last week U.S. poultry was being sold at 9,000-9,500 rubles [R] per kg, since Saturday most traders have been marking it up at R10,000.

There is no sign of local chickens on the street stalls, if you discount the rare private traders with their costly individual items. It is as if the kray did not have the country's largest broiler association, which seven years ago crammed Stavropol Kray's cities and villages full of its output (producing 120 kinds of produce) and fed many of its neighbors and even Moscow where it had six direct-sale stores.

Having gone around a dozen Stavropol food stores only in two did I find the once famous local broilers. Over the last few years they have lost everything — there is no own-brand or graded packaging. In the windows there were unappealing, poorly plucked hens for which salesmen are asking R12,500-12,700 per kg. The price is lower in the direct-sale store — R10,950. But there were no eager buyers here either. Rare visitors to the minute broiler counter (in various corners of the store they now sell Abrau-Dyurso wines, Moscow "Red October" candy, medicines, books, and even perfume) only rarely "pounce on" the chicken salami, chicken frankfurters, or eggs.

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This counter's miserable appearance is a graphic illustration of the current state of the industry. Last year the "Stavropolskoye" people's poultry farming enterprise (that is what the former broiler association is now called) produced 11,000 tonnes of poultry — exactly one-seventh of what it produced during its most successful year, 1989. Owing to lack of feed, two out of 14 poultry farms have been shut down and five mighty poultry combines are running at 25 percent of capacity. Were it not for the tax breaks granted by the kray, the broiler giant of yesteryear would have been wiped out once and for all. Not without pressure from "Bush's legs," which are increasingly surely ousting the local producer from the Stavropol market.

"The situation," G. Kolyagin, chairman of the kray administration trade committee, said, "is that if we were to give up imported drumsticks chicken would disappear altogether from our stores. Or would remain, but at a price of, say, R15,000. And that blow to the impoverished might prove more significant than the health threat posed by the drumsticks."

The price of local poultry byproducts in our stores, in other words giblets, which once cost 50 kopecks, is now higher than that of chicken meat. In the absence of imported giblets. This fact tends to bear out the prediction of an increase in prices should the Western competitor disappear. Stavropol poultry farmers in turn deny this, giving assurances that they will be able to make up for the loss of the U.S. poultry in a matter of months and stabilize prices.

"With a commodity loan in the form of feed we will be able to quadruple broiler production within three months," Yu. Belyy, director of the "Stavropolskoye" poultry farming enterprise, claimed. "At the same time our produce will remain ideal from the health safety point of view."

According to V. Posnikov, the broiler enterprise's former director, under whom the association flourished and reached its prime, feed alone will not solve the problems. Considerable funds will be required, including hard currency, he reckons, to restore the breeding stock. And all the reconstruction work will take at least three years.

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Political Issues

Russia: Yeltsin To Strengthen Prosecutor's Office With New Jobs

LD0503161596 Moscow INTERFAX in English 1414 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Interfax) — Russian President Boris Yeltsin has agreed to the funding of 1,500 new jobs as a way of building the strength of the Prosecutor General's Office, Russian Prosecutor-General Yuriy Skuratov told Interfax on Tuesday commenting on the substance of his two recent meetings with Yeltsin.

The number of premeditated murders has doubled in the past five years, but there was only a 15-percent increase in the number of investigators who are unable to cope with this number of murders, he said.

He said the police and customs departments, tax police and other law enforcement bodies which are being supervised by the Prosecutor-General's Office had all stepped up their efforts.

Skuratov put the office's total strength at 45,000 compared with the police force of almost a million.

He said the new presidential decree drawn up by the government provides for an extra 1,500-strong force, mainly investigators, to be added to the office.

Skuratov spoke of meeting Russian Prime Minister Viktor Chernomyrdin to discuss how to fund the prosecuting office.

He said the prosecutors were above all in need of social security nets. "I hope the financial aspect will not lag behind the legal one as it did when we dealt with judicial reform," Skuratov said.

On the murder of Russian clergyman Aleksandr Men, Skuratov said "prosecutors of the Moscow region have gone their part of the way, now it is up to the Sergiyev Posad court to pass a judgment." He said investigations into the case were carried out before he took in office and that he was unable to read through many volumes of the defendant's case.

Russia: Yeltsin Views Need for State 'Governed by Law'

LD0603112996 Moscow ITAR-TASS in English 1022 GMT 6 Mar 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW March 6 (Itar-Tass) — "For over two years Russia has been living under a Constitution based on the supremacy of law, on the state's being governed by law," Russian President Boris Yeltsin told the all-Russia congress on legal reform in Moscow today.

At the same time, describing the present political situation in Russia, Yeltsin said that "those who deny the ideas on which our Constitution is based raise their voices now". He said that some "set themselves the aim of restoring a structure of power during which law will be relegated to oblivion. The country will again get an omnipotent leader ruling under the cover of so-called 'collective leadership'".

Regarding the other extreme — calls for a "strong arm" regime, of turning Russia into a police state, Yeltsin said that everybody knows about the price that way paid for the order that was imposed by Franco and Pinochet. Nevertheless, in Spain, in Chile and in other such countries law and democracy triumphed in the end. "We can and must achieve the same, and not at the price of reaction and terror," Yeltsin said. "We have no right to allow for another exodus from Russia of its sons and daughters who treasure freedom above everything else."

Yeltsin said that political struggle goes on now and will become more acute by the presidential election. It is important that this struggle be conducted within the limits of law, the President said. There must be a steady advance to a legal reform in Russia in order to consolidate political stability, Yeltsin said. We must ensure that Russian citizens should shortly become aware of the improvement of their life, of their material position, that they should feel more comfortable, Yeltsin said.

"We must wage a determined struggle against all manifestations of negligence, lack of competence and violation of legality by state authorities. We shall be stepping up efforts to instill order in bodies of power and will continue to build up such efforts. This is our stand of principle," the President said.

Russia: Yeltsin, Accounting Chamber Head Discuss Tax Issues

LD0503192596 Moscow ITAR-TASS in English 1830 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Itar-Tass) — Russian President Boris Yeltsin and Accounting Chamber Chairman Khachim Karmokov discussed on Tuesday policies to improve tax collection and relieve the tax burden on producers.

The presidential press service's release says Karmokov has informed Yeltsin about the efforts of the Accounting Chamber to coordinate supervisory bodies across Russia in pursuance of the president's previous orders.

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Yeltsin set before the Accounting Chamber the task of ensuring reliable control of budget execution, including its spending items on wages, pensions, scholarships and payments to the army.

Russia: Yeltsin Relieves Envoy to Koryak Okrug of Duties

MM0503141396 Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 1

[Unattributed report: "Official"]

[FBIS Translated Excerpt] In accordance with an edict of the Russian Federation president, Grigoriy Mikhaylovich Oyivid has been dismissed from the post of plenipotentiary envoy of the Russian Federation president in Koryak Autonomous Okrug in connection with his election as deputy in the Russian Federation Federal Assembly State Duma. [passage omitted]

Russia: Yeltsin Criticism of Panskov 'Can Hardly Be Welcomed'

MM0503165496 Moscow FINANSOVYYE IZVESTIYA in Russian 5 Mar 96 p 1

[Article by Yevgeniy Vasilchuk: "President Deprives Finance Ministry of Right To Defend Itself"]

[FBIS Translated Text] The half-yearly "big councils of ministers" traditionally provide a good reason to talk about the successes and failures of government economic policy. True, the lack of novelty in ideas and the ostentation and preprogrammed nature of these meetings have made them increasingly vapid.

The "big council of ministers" in February 1996 was an exception in this regard. Besides a report on Russia's achievement of record low inflation — 2.8 percent — in February, the world was shown the spectacle of the president's public dressing down of the key economic department's leader.

This form of criticism can hardly be welcomed. Essentially the criticism was, professional economists claim, inappropriate and unjustified. But the criticized finance minister's explanations proved unnecessary to the president. From the outset the accusations were made with no right of defense.

Ostensibly it might seem that the president was showing his latest appreciation of the election struggle's natural savagery. Especially as some days ago the State Duma almost ostentatiously let it be known that it by no means considers the figure of the Russian finance minister as the last in the chain of people responsible for Russia's troubles. But in fact it is a question of intensifying the nonpolitical struggle for the redistribution of powers in the economic regulation mechanism.

The grave scene of the exchanges between the president and the finance minister, accompanied by the cabinet chief's eloquent silence, has dented the Russian authorities' prestige yet again. In turn the Russian bureaucratic elite has been given another incentive to find a way of using its abilities aboard the ship of state service.

Russia: Yeltsin Promises Continuation of Legal Reform

LD0603105096 Moscow ITAR-TASS in English 0945 GMT 6 Mar 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, March 6 (Itar-Tass) — "As a presidential candidate I assure the citizens of Russia that, if re-elected, I will continue legal reform," President Yeltsin declared at the national legal reform congress which opened in the Kremlin's Marble Hall today.

"I say this with full confidence that the stronger democratic power, the better will the laws protect the individual and the state itself," Yeltsin said.

"I have no doubt that if we stick to the course of transformations, Russia will certainly occupy a worthy place among the advanced democratic countries," the Russian President declared.

Yeltsin said the fostering of people's awareness of legality was one of the most difficult long-term directions of legal reform.

According to him, "law and order will always correspond to the people's mentality and sentiments." The state must foster the awareness of legality not only by streamlining an effective mechanism of legal regulation and application of law, Yeltsin said. There is a major reserve in the elementary legal education, he stressed.

Yeltsin called for teaching the basics of law in "all schools and in the secondary special educational establishments." In this context, the training of jurists and researchers in the field of law is becoming a special concern, he said.

As concerns economic problems that forced many gifted young scientists out of the research field, Yeltsin declared that "the budgetary policy is expected to be radically changed from 1997 with education and science becoming one of its priorities."

Assessing progress of legal reform in Russia as a whole, Yeltsin noted that much work was still ahead, and its concrete results will make sure whether or not the first sprouts of genuine law will take route in the Russian

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soil. According to him, "much will depend on the outcome of the presidential elections."

President Yeltsin declared that "if you want the majority of Russians to adopt the values of law as their own, we must prove in deeds the advantage of a rule-of-law state over the totalitarian state."

For this, it is necessary "to demonstrate the vital need for law," the head of state stressed. "This is the ultimate goal of legal reform," he underscored.

"I intend to win the presidential elections also in order to bring the legal reform to a successful completion in a way that would never again allow the repetition of the horrors of arbitrariness, lawlessness and mass repressions, in a way that would effectively strengthen the democratic state and make it efficient in protecting the rights of the weak, making the strong responsible, and ensuring a sensible balance between freedom and justice," Yeltsin said.

Russia: Yeltsin Willing To Hold Roundtable on Campaign Ethics

LD0503131796 Moscow ITAR-TASS World Service in Russian 1245 GMT 5 Mar 96

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 5 March (Itar-Tass) — Boris Yeltsin is willing to hold a roundtable with all presidential candidates registered by the Central Electoral Commission to set the ethical standards for the election campaign, State Duma Chairman Gennadiy Seleznev told journalists. He met with the Russian president today.

According to the Duma speaker, Boris Yeltsin also told him that sufficient signatures had already been collected for the present head of state to be registered as a candidate. Gennadiy Seleznev reported, however, that nothing was said at the meeting about the date of registration.

Russia: Movement's Founding Conference To Back Yeltsin

MM0503164996 Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 2

[Report by Aleksandr Batygin under the "Election Marathon" rubric: "'There Are Many of Us at Each Kilometer Mark.' So Say the Supporters of Boris Yeltsin's Reelection to the Post of Russian President"]

[FBIS Translated Text] Representatives of 37 parties, 77 creative unions, and 10 action groups gathered in Moscow Saturday [2 March] for the founding conference of an all-Russia movement in support of B. Yeltsin. The 900 conference delegates are united in the certainty that there is no alternative to the present head of state. One feature of this movement that has arrived on the scene is that it views its undertaking not only as an opportunity to achieve agreement between the democrats and the present authorities, but also as a chance to win in the June elections the votes of those who were not won over in December of last year.

For the moment the democrats are showing a clear inability to unite. For example, Yegor Gaydar and Grigoriy Yavlinskiy were simply not to be seen on Saturday among the many politicians, actors, and scholars in the Moscow City Hall's conference suite.

On the subject of the split in the democratic bloc, Sergey Filatov, one of those behind the movement's formation, remarked: "Today 13 parties did not reach the conclusion that they should support a single candidate. But I nevertheless still believe that they, these parties, will join our movement."

Vladimir Shumeyko, leader of the "Reforms — New Policy" movement, expressed himself, to our mind, in harsher and more specific terms. "You can make as many conditions as you like," he said, "but there may come a time when there will be nobody to hear these conditions."

Sergey Belyayev, leader of the "Russia Is Our Home" [NDR] faction in the State Duma, proposed among other things that the new movement make use of the NDR's experience during its election campaign.

Russia: Yeltsin Campaign 'Uncoordinated'; Trails Opponents

MM0503164896 Moscow ROSSIYSKIYE VESTI in Russian 5 Mar 96 p 1

[Report by Lyubov Tsukanova: "The Voter Will Vote For the Man Who Offers Him a Future"]

[FBIS Translated Text] "Our hopes for the continuation of the course of the renewal of Russia, overcoming existing difficulties, and creating a society in which everyone can lead a decent existence are pinned on the reelection of the present president." These words are from the appeal of the constituent conference of the Russia-wide movement for public support for Boris Yeltsin at the Russian Federation presidential elections. Over 900 delegates and representatives of regional committees for the support of B. Yeltsin and various public organizations (there are 240 of them in all, according to Sergey Filatov) Saturday [2 March] announced the creation of a broad movement associating

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all the reformist forces with the aim of electing President Yeltsin for a second term.

Russia is again faced with a fateful choice, and in that situation a high degree of organization, efficiency, and — optimism are extremely important for those who want to win. Unfortunately, in recent years the democrats, unlike the Communists, for example, have operated not just separately but sometimes even out of spite, to each other's detriment. The apotheosis of this so-called policy was the defeat of the reformist forces at the Duma elections. So you cannot talk about organization here. At City Hall Saturday there was a very strong sense (the delegates themselves noticed it) of the absence of Gaydar, Yavlinskiy, and many other leaders of democratic organizations. And although both Sergey Filatov and Aleksandr N. Yakovlev, as well as other members of the organizing committee, have expressed the hope that the political reality will force everyone who does not want a communist revenge to unite around Boris Yeltsin, at the moment the Russia-wide movement cannot boast the membership of major, widely renowned organizations, with the exception of the "Russia Is Our Home" and "Reforms — New Policy" movements, which are not organizationally rigid structures in themselves.

As for efficiency and mobilization readiness — which the delegates also spoke about critically — this is currently in the realm of intentions. The democrats are wasting time, they have forgotten how to talk to people, and in this respect they have already lost a great deal to the Communists and Zhirinovskiyites, who have long been stirring up the electorate for all they are worth in cultural centers, neighborhoods, and labor collectives. They are doing this very skillfully, using the collection of signatures for the purposes of agitation, although the law does not authorize this. Furthermore, as a representative of the "Rossiya" group, which is collecting signatures in support of Boris Yeltsin, told your ROSSIYSKIYE VESTI correspondent, the Communists have managed to intimidate most of the electorate. During the collection of signatures it has often come to light that people are worried that their signatures may form the basis of repression on the part of the Communists if their candidate becomes president. The supporters of the current president are frequently failing to counter the aggressive propaganda of the antireformers in any way.

It cannot be denied that President Yeltsin's supporters do have an understanding of all these shortcomings. But, as can be seen from a distance, one very important thing is in short supply — optimism, and without that it will not be possible to persuade the electorate of the historical rightness of the candidate. Society senses a shortage of creative ideas, and the opponents of the current president have noticed this and are not embarrassed to strike the chords of hope, faith, and other emotional expectations. The reformers know how to speak today's truth, but they are forgetting about the future. As Yuriy Petrov, leader of the "Union of Realists," said, we have to be able to maintain a creative mood in people. "Not to quarrel, not to make denunciations, but to calmly and confidently prove that our candidate is the best."

The Russia-wide movement, which has elected Sergey Filatov chairman of its coordinating committee, intends in the very near future to concentrate its efforts on organizational, propaganda, and agitation work in favor of candidate Boris Yeltsin. A network of "people's centers" (about 40 of these have already been set up) will help all the work to be conducted on a serious material basis with the use of printed matter, agitation and propaganda materials, and so on. That is, maybe the president's active supporters, who exist everywhere but whose efforts have hitherto been uncoordinated, will finally be able to engage fruitfully in what his opponents have been doing for a long time now — alas, not without success.

Russia: Zyuganov Holds News Conference on Planned Coalition

LD0503140996 Moscow ITAR-TASS in English 1355 GMT 5 Mar 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, March 5 (Itar-Tass) — The leader of the Communist party of Russia, Gennadiy Zyuganov, today stressed the possibility of expanding the coalition of his supporters in this year's presidential elections in Russia through enticing "the centrist and right-of-centre parties" which have "bright personalities but lack organisational structures capable of effectively organising at least the collection of signatures."

Zyuganov was speaking at a press conference devoted to the creation of the alliance of popular patriotic forces and the registration of the Communist party chairman as the first official candidate for the Russian presidency.

Zyuganov declared that some 30 organisations have already signed an agreement on cooperation in the election campaign and a number of organisations have applied for joining the alliance.

In the next two weeks, the Communist leader plans to discuss the concept of the bloc's election platform. "Exceptionally important talks are already being conducted with the centrist and right-of-centre groups" represented

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by Aleksandr Rutskoy, Svyatoslav Fedorov, Aleksandr Lebed and Stanislav Govorukhin, Zyuganov said. He added that "a quite normal working relationship is taking shape" with the above personalities.

Responding to an Itar-Tass question, Zyuganov said he had had a "circumstantial" conversation with Rutskoy two days earlier, in the course of which "we found mutual understanding in our evaluation of the current events" and discussed the possibility of building a coalition. The ex-Vice-President said he needed time for consultations and promised to come up with a final answer in a few days, Zyuganov said.

He said he would meet Aleksandr Lebed in the next few days, even though his deputy Vasiliy Starodubtsev had already had a thorough conversation with Lebed.

Responding to an Itar-Tass request for comment on the absence of the signatures of Sergey Baburin, Viktor Anpilov and Vladimir Isakov under the agreement on the nomination of a sole candidate for the Russian President from the alliance of popular patriotic forces, Zyuganov said Baburin's signature was "a matter of time." He explained that the recent congress of the Russian National Union had spoken out in favour of a single candidate from the popular patriotic forces.

As concerns the leader of Labour Russia, Anpilov "is now studying the document" before deciding on joining the alliance, Zyuganov said.

As regards Vladimir Isakov, the parliamentary group of the Communist Party of the Russian Federation continues to hope that he would fill the post of the human rights commissioner, which is incompatible with membership of any party, Zyuganov explained.

Russia: Zyuganov News Conference, Media Behavior Detailed

LD0603120496

[FBIS Report] Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, addressed a news conference on 5 March to mark the beginning of his official presidential election campaign.

Monitored media have not been observed to carry the text of the news conference.

Russian news agencies provided brief factual reports with selected highlights of the news conference.

The national television stations ORT and RTV carried brief reports up to two minutes' duration on their main newscasts, but not as lead items. It was not carried as a "headline" item. The two stations each carried the following brief recorded remark by Zyuganov: "We believe that it is extremely important for us at the present time to have further talks with the center and right-center which are represented by Rutskoy, Govorukhin, Fedorov and a certain Lebed and certain other political figures with whom we have perfectly good working relations."

The news conference was not reported at all by Moscow NTV television, which reported merely that Zyuganov had a meeting with the Agrarian Party and noted that he made a speech in which he called for cardinal reform of the executive.

Radio coverage was factual. Radio Rossii confined itself to agency pickups on the news conference. Mayak Radio in its evening "Panorama" program AT 1609 GMT contained the fullest recorded remarks from any source in which Zyuganov defined the term "communism": "Now the communists. I say: do you know the Russian translation of this word? Many don't. It means community [obshchina] in Russian, that is priority of common and collectivist and community-driven interests over private, egoistic, and individualist ones. This is built into our heritage, our culture and into the three world religions, Orthodox Christianity, Islam, and Buddhism, which have been dominant on our great expanse since times immemorial. You can open a book and read it all. I have." Ekho Moskvy in its main evening newscast at 1600 GMT carried recording of Zyuganov saying that the Communist Party is the party of moderation: "The party of government is the most radical at present. It continues to destroy the country and bring production to a halt. Our platform, our program is moderate and balanced. It will reflect the moods of all the members of our coalition."

Note that London REUTER in English at 1459 GMT on 5 March reported that Zyuganov made some remarks about Stalinism. According to REUTER, he "fell far short" of condemning Stalinist repressions, saying: "Look at Stalin's role in the victory over fascism." These remarks were not reported in monitored Russian media.

Russia: Zyuganov Promises To Maintain Multi-Level Economy

LD0503154396 Moscow INTERFAX in English 1414 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Interfax) — Russian Communist Party leader and official presidential candidate Gennadiy Zyuganov said he would maintain a multi-level economy and not redistribute property if he wins the June 16 presidential election, he told a Tuesday press conference.

Zyuganov also promised to "strengthen freedom of speech and create economic conditions in which the working class can live well."

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He discussed his campaign strategy, including the formation March 4 of a single nationalist-patriotic block, which he hopes will unite all the opposition to President Boris Yeltsin. "No one can win the election alone," the Communist leader said. "The candidate who has the most allies and supporters has the best chance."

To this end, Zyuganov said he was discussing alliances with Aleksandr Rutskoy, leader of the nationalist Empire Party, and Duma deputies Gen. Aleksandr Lebed and Stanislav Govorukhin. He said the block "Third Force" created by the latter two had "some very outstanding and powerful personalities, but no structural organization."

The decisions of Working Russia and Russian People's Union leaders Viktor Anpilov and Sergey Baburin not to join the nationalist-patriotic block were, according to Zyuganov, "temporary."

Russia: Zyuganov Supports APR's Stand on Land Use

LD0503181696 Moscow INTERFAX in English 1628 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Interfax) — One president will sow the seed in Russia but the harvest will be collected by another president, said Russian Communist Party leader Gennadiy Zyuganov with regard to his aim at the upcoming presidential elections.

Zyuganov, the presidential hopeful from the popular-patriotic forces, spoke at an enlarged session of the Agrarian Party of Russia [APR] leadership Tuesday.

"In such a robbed and humiliated country as Russia is now, there will be no winners at the elections" because the newly-elected president and his team will "have to put on crowns of thorns and deal with difficult creative activities," Zyuganov said.

Zyuganov agrees with the stand concerning use of land taken by the Agrarian Party led by Mikhail Lapshin and the Agrarian Union led by Vasiliy Starodubtsev. Both believe that purchase and sale of land must be prohibited, and that farmers must be given the right to perpetual use of land, inheritance and long-term lease of land. Russian citizens should use gardens and dachas freely within the scope of law, the Agrarians believe.

Zyuganov also supports the Agrarians' proposal regarding the protection of national agricultural producers. The country has "already put its neck into the noose of food dependence" whereby large industrial centers are 60-70 percent "fed from a foreign spoon," he said.

The Agrarian Party leadership has determined "the peasants' demands" which the Agrarians see as a condition for supporting Zyuganov's nomination for the Russian presidency. After these demands are approved at the congress of the Agrarian Union of Russia on March 27, they will be included in the election platform and program of the presidential nominee from the popular-patriotic forces.

Russia: Text of Left-Wing Alliance Agreement Published

MM0503134696 Moscow SOVETSKAYA ROSSIYA in Russian 5 Mar 96 p 1

[Text of "Agreement on Joint Actions in Support of G.A. Zyuganov as the Common Candidate for the Russian Federation Presidency on Behalf of Russia's People's Patriotic Forces"]

[FBIS Translated Text] The authorized representatives of the parties, sociopolitical movements, public organizations, trade unions, women's, veterans', youth, entrepreneurial, scientific, creative, and other associations and the individual state, political, and public figures of the Russian Federation listed below have reached agreement regarding the pooling of their organizational, material, propaganda, and other resources for the purpose of giving active and all-around support to GENNADIY ANDREYEVICH ZYUGANOV as the common candidate for the Russian Federation presidency on behalf of Russia's people's patriotic forces.

From the moment of the signing of this agreement all activity within the framework of the election campaign for the common candidate on behalf of Russia's people's patriotic forces will be conducted according to the coordinated plan with the participation of all interested sides on the basis of regular working consultations on current questions. By mutual accord of the parties to the agreement, the function of election campaign coordinator will be performed by the Russian Federation Presidential Candidate's Headquarters.

The agreement is open for signing for the duration of the election campaign by parties, movements, and organizations sharing the aims and principles of this document.

The following have signed the document:

N.S. Akhmedkhanova (the "Dagestan" Moscow Cultural Society); A.S. Davydov (the Agro-Industrial Complex Workers' Union); A.A. Zhirov (the "Novyy Vek" artists' society); V.V. Zhuravlev (the "Severnyy" international public foundation for the socioeconomic development and support of enterprise); A.A. Ilin (public figure, editor of PRAVDA); V.B. Isakov (public

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figure); M.Yu. Kugach (the "Moskvorechye" creative artists' association); V.A. Kuptsov (Communist Party of the Russian Federation); M.I. Lapshin (Agrarian Party of Russia); I.O. Malyarov (Russian Communist Youth League Central Committee); D.A. Mitina (Russian Students' Council); I.V. Muravyev ("People's Alliance" Russian sociopolitical movement); I.P. Osadchiy ("Socialist-Oriented Russian Scientists" society); A.I. Podberezkin ("Spiritual Heritage" All-Russia Sociopolitical Movement); A.A. Prokhanov ("Day" Sociopolitical Movement); N.I. Ryzhkov ("Power to the People" Public Movement); S.Ye. Savitskaya (action group for the nomination of G.A. Zyuganov as contender for the Russian Federation presidency); V.I. Sevastyanov (member of the Heroes of the USSR Association); O.N. Smolin (public figure); V.A. Starodubtsev (Agrarian Union of Russia); V.P. Tkachenko ("Union of Soviet Officers" Moscow City Public Organization); Ye.S. Tsoy (Moscow Association of Russian Koreans); V.V. Chikin (SOVETSKAYA ROSSIYA independent peoples' newspaper); O.S. Shenin (Union of Communist Parties-CPSU); and G.P. Yashkin (All-Russia Union of Armed Forces Veterans).

Russia: Seleznev Views Prospects of Communist Rule

MM0503161096 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Mar 96 p 3

[Interview with State Duma Speaker Gennadiy Seleznev by Vasiliy Ustyuzhanin; place and date not given: "State Duma Speaker Gennadiy Seleznev: 'We Need About Another 10 Million Votes'"]

[FBIS Translated Excerpt] [Ustyuzhanin] The Communist Party treated the independent press, and freedom of the press as a whole, without great esteem. What is the case now?

[Seleznev] I am sure that no matter who comes to power in Russia — the Communists, Zhirinovskiy, or anyone else — they will not lift a hand against press freedom without running the risk of cutting their own throat.

[Ustyuzhanin] Have the Communists grown resigned to being left without party property? Are there any plans to recover it?

[Seleznev] It is not that simple. There is a Constitutional Court ruling and it must be implemented. After all, the court ruled several years ago now what should be considered purely party property. Party dues were not precisely state dues. It is not clear why they were confiscated. We should determine what was built with party money and what involved the state's shared participation. Party property, which was 100-percent developed with party money, should be returned.

[Ustyuzhanin] To use your words, there is a sense of confidence that the Communist Party will return to power.

[Seleznev] That is possible if a broad coalition of left-wing and people's patriotic forces is created. We need to add about another 10 million votes to the December results. Then Zyuganov has a chance of making it in the first round.

[Ustyuzhanin] What guarantees will you make to the president and his entourage?

[Seleznev] The Committee for Legislation has begun elaborating a special law on the transitional period. To put it crudely, a law on the transfer of power. [passage omitted]

[Ustyuzhanin] Do you imagine that the president will try to introduce a state of emergency on the eve of the elections?

[Seleznev] As long as there is Chechnya, guerrillas, and the threat of acts of terrorism, some kind of time bomb can always explode, providing grounds for the introduction of a state of emergency in part of the country, which would prevent elections being held. But there is another idea. And the president is aware of it.

[Ustyuzhanin] What idea is that?

[Seleznev] He may after all remain the first and last president of Russia.

[Ustyuzhanin] Like Gorbachev?

[Seleznev] Yes. Boris Nikolayevich could submit a legislative initiative and amend the Constitution, abolishing the presidency as of 1997, say. Many parties and movements would back that move and would agree not to hold elections now.

[Ustyuzhanin] Here is a poser for you. Suppose Zyuganov becomes president. What would happen to private property, which has already acquired owners in one way or another? Will you expropriate it?

[Seleznev] There should be no talk of expropriation. Nor will there be. Our program says that we favor a mixed economy and private ownership. But a federal law on a real estate tax will probably be adopted. Under the law any owner of any real estate would be subject to a corresponding progressive tax. If you can, sell on your property. If you fail to find a buyer, the state will buy it, but not at the market price. In other words, it is a question of buying back property.

[Ustyuzhanin] Consequently, you do not advise rich people to book tickets to Geneva and Vienna now?

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[Seleznev] I think that, whoever comes to power, there will be some kind of amnesty. After all, many people in Russia took Gaydar's slogan "Get rich!" literally. Eager for profit they forgot that the state's interests must also be taken into account. We have spoken to entrepreneurs who cannot sleep easy because they do not know what to do with their money. Some of their capital has been earned unjustly and is lying in Western banks. They agree that this money should be transferred to Russia. But they want guarantees that some proportion of this capital will be left for their own development, that they will be relieved of liability. As for criminal acquisition of capital and property, and cases where people have been persecuted, murdered, and subjected to coercion, all this will of course be investigated by law enforcement agencies and not by any "troykas."

[Ustyuzhanin] But if the Communists do not improve people's lives in four years, the state reactor may blow.

[Seleznev] Ideally, yes. Therefore that should not happen. We have a large group of experts — economists, managers — working out the options. I think that the most important thing now is to ensure accord between rich people, people on middle incomes, and the needy. Appeals to take up axes and for us to clear the residences and destroy the kiosks only mean driving the country into civil war. [passage omitted]

Russia: Governor Wants Presidential Elections Postponed

MM0603141596 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Mar 96 p 2

[Report by Aleksey Sinelnikov under the "Spring Maneuvers" rubric: "Does the Voronezh Governor Want To Save the President?"]

[FBIS Translated Text] Voronezh Oblast Governor A. Kovalev has sent a letter to the Federation Council. The text of the message is being kept a secret at the moment but its gist is known.

Aleksandr Yakovlevich is asking the senators to consider the question of postponing the summer presidential election. The reason: A social explosion must be prevented, and in addition it would be a shame to waste money on electioneering. The governor made this move literally right after Nikolay Yegorov, chief of the Presidential Staff, visited the oblast.

Kovalev sent a similar message to the president before the December elections, and his reasons were the same then. The "Red" oblast governor's fears were well-founded: The Communists won by a huge majority in Voronezh.

Russia: Security Council Secretary Lobov 'Much Better'

LD0503181896 Moscow INTERFAX in English 1628 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Interfax) — Presidential envoy to Chechnya and secretary of the Russian Security Council Oleg Lobov is much better, Security Council staffers told Interfax Tuesday. Doctors already let him walk, they said.

Lobov underwent a heart operation last week and is now recovering in the Central Clinic Hospital.

Lobov "is in constant contact with the Security Council, daily receiving documents and meeting with its senior officials to discuss the most important issues," the staffers said.

Doctors say Lobov may check out of hospital "in about a week," but they maintain that he had better spend the post-operation period in the Moscow region government sanatorium Barvikha.

Russia: Shumeyko, Lebed Tipped To Replace Premier, Grachev

MM0503141796 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Mar 96 p 3

["Own Information" report: "Buds Swell, Rumors Rife"]

[FBIS Translated Text] We are not about to claim that everything in this article will necessarily come true. Or even the reverse. Nonetheless people are saying that the country might have a new premier before the elections. Who? Vladimir Shumeyko. And people in St. Petersburg are allegedly awaiting the arrival of a new mayor since Anatoliy Sobchak's days are numbered — he has displeased someone somehow. And Defense Minister General Grachev will never reach the rank of marshal. Aleksandr Lebed is being prepared as his replacement.

Distressing news has arrived from Volgograd — Ivan Rybkin has been insulted. Volgograd Mayor Yuriy Chekhov, who recently visited his fellow townsman in Moscow, gave the details. A number of deputies, among them deputies from Volgograd (which is doubly offensive) and Grigoriy Yavlinskiy, have leveled charges at the cultured Ivan Rybkin, alleging that "depravity and drunkenness flourished" at the Duma under Rybkin. Ivan Petrovich is known to have been severely upset by these attacks.

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Russia: Moscow Seeks To Revitalize Caspian Pipeline Project

MK0503130196 Moscow KOMMERSANT-DAILY in Russian 5 Mar 96 p 4

[Unattributed report by ANI [Oil News Agency]: "CPC Board of Directors Will Work to the End"]

[FBIS Translated Text] Russia thinks that yet another meeting of the board of directors of the Caspian Pipeline Consortium (CPC), which opened on 4 March in Moscow, should continue its work until "all problems are definitively resolved." The agenda of the CPC board of directors meeting features questions on including on the board new representatives of Oman, proposals by the Omani side on funding the project for building the Western Kazakhstan-Novorossiysk pipeline and restructuring the consortium. According to a source, the Russian side's "firm" stance was caused by its "displeasure with the adverse situation that has come about in the CPC project and the drastic slowing down of the pace of its implementation." From the Russian viewpoint, the organization of the project's funding has been dragging along unreasonably long, while "no decisive steps have been taken" in that regard. The source noted that the implementation of the CPC project and, particularly, its first stage, which calls for the construction of a pipeline from the city of Kropotkin to the port of Novorossiysk, "permits no delay" for Russia. The Caspian Pipeline Consortium was set up on 17 June of 1992 by the governments of Kazakhstan and Oman for the purpose of building and operating a major oil pipeline from the Tengiz oil field to the port of Novorossiysk.

Russia: Grain Agency Ordered To Buy Seed Corn Stocks

MM0603143396 Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6

[Directive No. 272 of the Russian Federation Government, signed by V. Chernomyrdin, chairman of the Russian Federation Government, in Moscow on 28 February 1996; from the "Documents" section]

[FBIS Translated Text] 1. The Roskhleboprodukt Joint-Stock Company is to:

procure in 1996 for federal stocks around 100,000 tonnes of seed corn from 1995-harvest first-generation hybrids and from grades and populations from farms that produce these seeds;

use for this purpose commercial bank loans totaling 200 billion rubles [R] issued to the aforementioned joint-stock company for the procurement of grain for federal stocks in accordance with Russian Federation Government Decree No. 970 of 29 September 1995 "On the Funding of Procurements of Grain and Other Agricultural Produce for Federal Stocks in 1995" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 41, p 3901).

2. The Russian Finance Ministry is to make provision for the allocation of R220 billion in the first half of 1996 to the Russian Ministry of Agriculture and Food to compensate for outlay on the production of seed corn by seed-growing farms, which supply seed to federal stocks in accordance with this directive, out of funds envisaged by the federal law "On the 1996 Federal Budget" for the funding of agriculture.

The Russian Ministry of Agriculture and Food and the Russian Finance Ministry are to determine within a two-week period the procedure for the payment of the aforementioned compensation.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 28 February 1996

Media Issues

Russia: Yeltsin Orders Government To Clear Debt to ORT

LD0503214996 Moscow ITAR-TASS in English 2137 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 6 (Itar-Tass) — Russian President Boris Yeltsin on Tuesday [5 March] ordered to "have the debt to ORT (Russian Public Television) cleared" to give Russian football-lovers to watch live coverage from France of the match between Nantes and Moscow's Spartak.

ORT sport programme producer Nikolay Malyshev told Itar-Tass that the European Cup semi-finals match between Nantes and Spartak would be televised on Wednesday, beginning at 22:20 Moscow time [1920 GMT].

The coverage had been hindered by the government's debt to the Russian Public Television joint-stock company, in which the government has a 51 per cent stake.

Malyshev voiced the hope that the president's intervention would facilitate solutions to other problems plaguing sport programmes.

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Russia: Vice Premier Ignatenko Explains Media Support Law

MM0603123596 Moscow IZVESTIYA in Russian 6 Mar 96 p 2

["Own Information" report: "A Little More Effort and the Press Really Will Receive Support"]

[FBIS Translated Text] The legislators wanted to do the best they could and therefore adopted the Law "On State Support for the Mass Media." Those responsible for implementing the law initially interpreted it in such a way that the editorial offices of newspapers and magazines would actually lose out from the concessions. This has already been covered by IZVESTIYA.

Vice Premier Ignatenko decided to explain what it meant to all those involved with the Law on Concessions for the Mass Media so that the concessions may be enjoyed. And it seems that he succeeded in this.

V. Gusev, the tax service's chief state counselor, asked the government to make changes to the law on taxes, but pending that to work out.... The tax service chief then went on to offer a perfectly standard interpretation of the law which, it must be supposed, will suit everyone, namely that concessions mean it is possible not to pay part of the taxes.

Ignatenko responded instantly on the government's behalf: The government "agrees with the arguments laid out in the Russian State Tax Service's memorandum."

If these arguments now become the guideline for tax inspectors, we will thank the following collectively and individually: V. Ignatenko (government), V. Gusev (State Tax Service), V. Panskov (Ministry of Finance), and I. Laptyev (Russian Committee for the Press).

Military & Nuclear Issues

Russia: Soskovets: 1995 Arms Exports Reach $3 Billion

LD0503161896 Moscow INTERFAX in English 1414 GMT 5 Mar 96

[FBIS Transcribed Text] MOSCOW, March 5 (Interfax) — Russia's arms exports reached more than $3 billion last year, up 80 percent on the same figure in 1994, it was reported at a meeting by the coordinating council for cooperation in military technologies, chaired by First Deputy Primer Minister Oleg Soskovets.

Payments were made in cash for 75 percent of weapons deals. The number of Moscow's partners in military cooperation reached as many as 51 countries in 1995.

The Russian government is due to complete work on a program for military cooperation with other countries covering a period until the year 2000. Soskovets said increased arms exports to other countries could help Russia derive greater foreign currency revenues.

He pointed to last year's dynamic performance by the state committee for cooperation in military technologies and other related federal bodies. However, it was also indicated that Russia had so far failed to resuscitate arms trade with its traditional partners.

Russia: Naval Leaders Appeal to Federal Assembly

MM0503164096 Moscow PRAVDA in Russian 2 Mar 96 p 1

[Abbreviated version of message from a group of Russian naval leaders to the Russian Federation Federal Assembly: "Letter From Admirals of the Russian Navy. The Last Parade Is Coming..."]

[FBIS Translated Text] The crushing blow struck by the democrats against the country's Armed Forces would make anyone shudder — anyone except today's powers that be. The first victim is apparently the Russian Navy and its undoubted leading place in world history. The Black Sea Fleet is in its dying throes. They will end very soon.

In this situation a group of the country's highest and best naval leaders sent an appeal to the Russian Federation Federal Assembly and were not afraid to sign it, unlike those officers who, while remaining in the ranks of the Armed Forces, look on silently at the criminal destruction of the country's Army and Navy. We publish this appeal with some abbreviations.

[Letter begins] The breakup of the Warsaw Pact Organization and the USSR radically changed the military-political situation in Europe, in favor of the United States and NATO.

The fundamentals of the military doctrine of the Russian Federation, adopted in 1993, do not reflect these changes which have taken place as a result of the new distribution of forces not only in Europe, but throughout the world. As a result of all these changes Russia has lost its dominance in the Black, Baltic, and Caspian seas and also in the most important strategic regions of the world's oceans. All the indications are that our country's leadership does not recognize the importance of the fleet in the defense of the state from the sea (the length of Russia's sea borders is more than 40,000 km, out of a total of 61,000 km) and fails to take account of the fact that Western countries are not entering into talks on reducing their own navies, but, on the contrary, are creating a new material base for waging war at sea. Russia is in effect unilaterally reducing its Navy, and by the beginning of the 21st century it may have lost

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more than half its ships and naval aviation. Two-thirds of the Baltic and Black Sea Fleets' bases have been lost (Tallinn, Riga, Liepaja, Odessa, Nikolayev, Donuzlav, Kerch, Poti, Ismail, etc.), that is, everything that Russia won under the leadership of Peter I in the struggle for access to the seas. Now these strategic salients are open to the political diktat of Western countries. Meanwhile our ocean fleets, the Northern and Pacific Fleets, are also in a grave position because of the lack of material and technical supplies and the injudicious reduction of fleets.

In the course of the reform of the Navy (since 1992) its infrastructure, quantitative and qualitative characteristics, and combat potential have undergone considerable changes. Such as:

1. The Navy's complement of ships has been reduced by virtually half (from 1,000 to 540 ships), and naval aviation by more than 60 percent (to 900 aircraft). Total personnel numbers have been reduced from 452,700 to 230,000. The level of manning of ships is only 65-70 percent. As a result of "reformist" measures the number of naval units (flotillas, squadrons, naval bases, divisions, and brigades) — both combat and support — has been reduced by between 22 and 75 percent.

2. The proportion of ships and equipment that are obsolete or physically worn-out and do not meet present-day demands is between 30 and 70 percent. By the year 2000 the number of modern ships will be only 10 percent of the total.

3. For more than five years now there has been no building of new strategic missile submarine cruisers. With funding at the 1994-1995 level, by the end of the 20th century the service life of the strategic missile submarine cruisers will have expired, and by the year 2000 the combat-ready naval strategic nuclear forces will be left with not more than 25 percent of them (that is, seven to 10 strategic missile submarine cruisers), which will not even ensure the fulfillment of the crushing — for Russia — START II Treaty.

4. More than 140 nuclear submarines have been decommissioned and the Russian Federation Government is in effect failing to tackle the problem of scrapping them, which could lead to a grave ecological situation in the area where they are based.

5. Nearly 300 warships, 80 patrol craft, and 80 percent of support ships need shipyard maintenance on technical grounds. The volume of funding makes it possible annually to carry out maintenance work on only 70-75 ships and patrol craft (some 10 percent of what is needed).

In this connection the enforced withdrawal of ships from the Navy before the expiry of their specified term of service is continuing. The proportion of such cases is increasing annually (1.5 percent in 1990, 60 percent in 1995).

6. The replenishment of the Navy with new ships fresh from industry is annually postponed indefinitely. In 1994 eight ships and patrol craft were received, while handover dates for the other 17 were postponed due to lack of funding; in 1995 the figure was three (two submarines and a patrol craft), out of a planned 21. This situation is promoting the disintegration of complex scientific and production cooperation between the Ministry of the Shipbuilding Industry and 20 associated sectors of industry.

At the same time, unlike other branches of the Armed Forces, the main naval forces can only be created in peacetime, since one ship takes eight to 10 years to build.

7. The reduction in the volume of funding and material and technical provision for the naval forces has reduced their combat readiness.

Thus, the provision of fuel has been 65-70 percent; food — 50-60 percent; maintenance spare parts, tools, and accessories, and batteries — 50 percent, which led to a reduction in ships putting to sea and aircraft making flights for combat training, and is leading to a decline in the standard of personnel training.

8. The lowering of quantitative and qualitative indicators of the combat might of the Navy has led to a reduction in potential for resolving the Navy's rightful tasks of 45-50 percent in the ocean zone and 30 percent in the inshore zone.

On the other hand, evaluation of the state and development prospects of the navies of the Western maritime powers shows that the level of funding there remains high (some 33-41 percent of their military budgets) and the shipbuilding programs adopted earlier are being fulfilled in their entirety. By the year 2000 the navies of foreign states will increase their offensive potential by at least 50-100 percent through the qualitative improvement of all strike and defensive components.

Repeated appeals to all state structures in defense of the fleet in 1994-1995 went unanswered. Scarcely a single point of the resolution of the parliamentary hearings of 25 October 1994 "On the Russian Navy, Its State and Prospects" has been implemented. An appeal on the same problems by the chairman of the Russian Federation Federal Assembly Federation Council to the Russian president on 26 May 1995 went unanswered. The presidential edict signed in June 1995 "On Urgent

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Measures To Maintain the Combat Readiness of Naval Strategic Nuclear Forces" and the Russian Federation president's decision of 10 August 1995 on the financing of measures envisages in this edict are also not being fulfilled. The list could be continued.

Yet the Russian Navy is a unique branch of the Armed Forces. All types of arms are concentrated on its surface ships and submarines— ICBM's with nuclear warheads, cruise missiles against ships and onshore targets, rocket-artillery systems against air targets, submarine search and destroy systems, naval aviation with high-precision assault and antisubmarine systems. The marines have all types of arms appropriate to ground forces. All categories of naval forces are under an integrated system of command and control and have combat and special technical support systems. The fleet, possessing the international right of the "high seas," is capable of massing in a short space of time in any part of the world's oceans and supporting our state's international political actions in peacetime. Yet before our very eyes territorial claims against Russia are being revived in West and East. The reduction in Russia's potential as regards achieving the aims of strategic deterrence (nuclear missile parity) cannot go unnoticed.

To safeguard Russia's naval might, maintain the Navy's combat potential, and preserve the scientific and technical potential and the naval shipbuilding base, it is deemed expedient and necessary to adopt the following urgent measures:

— to examine at state level the actual state of the fleets and to formulate concrete proposals on all questions;

— to make the appropriate additions to the Basic Provisions of Military Doctrine and define ways of preserving Russia's naval might and its main component — the Navy;

— to formulate the Russian Federation's naval strategy, adopt a law on the Navy, and prepare a 10-15-year federal shipbuilding program for the creation of a balanced fleet;

— in view of the fleet's special significance, to make the Navy (as was the case prior to 1917 and three times in the Soviet period) subordinate to the head of state and to finance the fleet as a separate item in the budget;

— to determine legislative and other measures to maintain at a modern standard the appropriate scientific and production potential in the interests of the development of ships and naval aviation, including the fulfillment of Russian Federation Presidential Edict No. 794 of 1 August 1995;

— to preserve the leading Russian naval school and prestige of service in the fleet.

[Signed] Fleet Admiral N.D. Sergeyev; Hero of the Soviet Union Fleet Adm. G.M. Yegorov; Fleet Adm. I.M. Kapitanets; Adm. N.N. Amelko; Adm. V.V. Mikhaylin; Adm. R.I. Khovrin; Adm. V.V. Sidorov; Adm. V.I. Panin; Hero of the Soviet Union Adm. V.K. Korobov; Hero of the Soviet Union Colonel General of Aviation G.A. Kuznetsov; Hero of the Soviet Union Adm. R.A. Golosov; Hero of Socialist Labor Adm. P.G. Kotov.

Russia: Readers' Letters Signal 'Possible Social Upheaval'

MM0503131896 Moscow KRASNAYA ZVEZDA in Russian 2 Mar 96 p 1

[Feature comprising readers' letters under the general heading: "From the Current Mailbag: Where Is the Promised Money?"]

[FBIS Summary] The KRASNAYA ZVEZDA introduction reads as follows:

"The situation as regards the payment of wages and various allowances to servicemen and their families already seems to have gotten out of hand. Our readers' letters illustrate that state leaders' numerous promises to pay off the debts are not being carried out. Officers, warrant officers, and contract personnel are, after all, soldiers and as such are obliged to staunchly withstand the rigors and privations of military service. And they are doing their military and professional duty despite all the difficulties. But these defenders of the fatherland have behind them their families — hungry children without clothes and shoes and women without jobs. Many have already been reduced to despair.

"These letters do not merely reflect the anguish experienced by people who have been humiliated and aggrieved, they represent a serious warning of possible social upheaval in the Army. It would be naive to imagine that people can put up with things endlessly.... Copies of most of these letters have been sent to the Russian Federation President, the defense minister, the government, and the State Duma."

This introduction is followed by five letters bemoaning the wage payment situation in Russia's Armed Forces and querying why the promises to pay wages promptly are not being carried out.

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Russia: FSB Chief Warns of Nuclear, Chemical Plant Sabotage

MK0503151296 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 9, 3-10 Mar 96 (signed to press 4 Mar 1996) p 3

[Unattributed, untitled report]

[FBIS Translated Text] Mikhail Barsukov, FSB [Federal Security Service] director, points to the "possibility of sabotage at nuclear industry installations and chemical and other hazardous production enterprises and attempts to seize weapons of mass destruction." He says that the political sphere is being criminalized, while the criminal sphere is being politicized. According to him, the term "criminal economy," from a journalistic clichi, "has become a virtual reality."

Federal Assembly

Russia: Deputy Urges Duma Not To Ratify Start-II Treaty.

LD0603114596 Moscow ITAR-TASS in English 1025 GMT 6 Mar 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW March 6 (ITAR-TASS) - Deputy of the State Duma, General Valentin Varennikov made a statement urging the Duma not to ratify the Russo-American START II treaty. His statement was circulated among MPs on Wednesday.

The statement says that implementation of START II treaty would mean burying Russian strategic nuclear forces and alongside with them "sovereignty and state security". Varennikov said that with the implementation of START II treaty the United States will get vast advantages which will place Russia in a position of a complete military and political bankrupt.

Varennikov also assests that the ratification of START II treaty "will deal a strike at Russia's economy from which is will be unable to recover. And Russian economy is undergoing a deep crisis as it is."

In view of the fact that a parliamentary commission was formed by the decision of the State Duma to discuss in detail the possibilities of ratifying Start-2 treaty, Varennikov urges his colleagues who are on the commission "not to jump to conclusions" and stresses that "the economic situation in Russia, the military-political situation around Russia and the essense of START II treaty do not permit to take a positive decision regarding the treaty's ratification".

Russia: Duma Assails Federal Funding of Law Enforcement Bodies

MM0503170296 Moscow ROSSIYSKAYA GAZETA in Russian 2 Mar 96 p 6

[Unattributed report: "Budget Does Not Guarantee Security"]

[FBIS Translated Text] The State Duma, having analyzed the state of funding for expenditure on law-enforcement activity and the safeguarding of the state's security in 1995 and January-February 1996, notes in its adopted decree the breakdown of the implementation under these headings of the federal law "On the Federal Budget for 1995" and the Russian Federation Government's inability to ensure implementation of the revenue side of the 1996 budget.

Last year the amount owed by the government to law-enforcement organs, state security organs, and MVD [Ministry of Internal Affairs] personnel for salaries, wages, benefits, compensation payments, and for covering expenditure on measures in the Chechen Republic came to hundreds of billions of rubles.

The average extent to which expenditure on law-enforcement activity and the safeguarding of state security was funded in January-February 1996 did not exceed 40 percent of the funds envisaged by the federal budget; the volume of funding for the penal system was 23.5 percent, with the figure for Internal Affairs organs being 29.1 percent, border service organs 32.5 percent, the Federal Security Service [FSB] 35.5 percent, and MVD Internal Troops 59.3 percent.

As a result of the sharp reduction in the volumes of funding for expenditure, penal institutions have found themselves in a very difficult position, and their staff have been forced to go on hunger strike or come out on strike. The lack of funds for technical provision and armaments is paralyzing the activity of the MVD Internal Troops and the FSB. Law-enforcement and state security organs are being forced by acute necessity to take out extortionate loans from commercial banks.

A factor of considerable importance which explains the lack of funds in the federal budget is that the funds have been diverted to provide soft loans to commercial banks.

The State Duma deemed the Russian Federation Government's work to implement the federal budget as regards the funding of expenditure on law-enforcement activity and state security organs in 1995 and January-February 1996 unsatisfactory. The Russian Federation president has been requested to determine the extent to

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which government officials were at fault in creating this situation and to institute proceedings against them.

The Russian Federation Comptroller's Office has been instructed to carry out before 15 March checks into the diversion of budget funds in 1995-1996 for the purpose of issuing soft loans to commercial banks, and to verify that the funds due to be paid to the State Tax Service's Centralized Social Development Fund, the Tax Police Department's Social Development Fund, the Customs System Development Fund, and the State Fund for the Fight Against Crime were remitted in full.

The State Duma has drawn up proposals on making corresponding amendments and additions to the federal law "On the Federal Budget for 1996."

Regional Affairs

Russia: Grachev Visits Troops in Krasnodar

LD0503140196 Moscow ITAR-TASS World Service in Russian 1330 GMT 5 Mar 96

[By ITAR-TASS correspondent Viktor Zhilyakov]

[FBIS Translated Text] Krasnodar, 5 March (ITAR-TASS) — Russian Defense Minister Pavel Grachev, who arrived last night in Krasnodar from Groznyy, left for the Black Sea coast early this morning to inspect military subunits stationed there.

The minister also had a look at some tourist and health resort facilities that have been put on the market by bankrupt enterprises.

Tomorrow the defense minister is to meet journalists in Krasnodar.

Russia: Germans Win Nuclear Waste Processing Deal

MM0603093796 Moscow IZVESTIYA in Russian 5 Mar 96 p 2

[Report by Aleksandr Pashkov: "Who Should Make Money From Nuclear Electric Power Station Waste?"]

[FBIS Translated Text] Yekaterinburg — The nuclear-powered fleet in Vladivostok and Murmansk is directly associated with the formerly top secret Sverdlovsk Chemical and Petroleum Machine Building Scientific Research Institute in Yekaterinburg, where installations for the purification of radioactive waste are developed and commissioned.

When the well-known furor over the discharge of radioactive waste from warships into the Sea of Japan arose, it came as no surprise to the people of the Urals — they know full well that Russia's civilian fleet, which is stationed in northern waters, is equipped with the machinery to process waste, but even in former years the military had no time for such matters.

What did surprise the institute's specialists was the government's decision to build a floating barge with installations for processing waste with Japanese money and with American participation.

"The Japanese gave us loans, which they [the Russian authorities] are using to equip the barge and buy equipment from the Americans," Stanislav Filippov, chief of department at the institute, explained to me. "As a result, our specialists are left without work, although we have many conclusions from experts to the effect that Russian equipment is cheaper and more reliable."

However, the conclusions of prestigious experts has no influence on the adoption of decisions. An order was recently issued, signed by Atomic Energy Minister Viktor Mikhaylov, effectively handing over the entire job of equipping the installations for the processing of radioactive waste at all the country's stations to the German firm NUKEM.

Here is what the oblast's leadership wrote to Viktor Chernomyrdin on this subject: "Virtually all the former Union's radiochemical plants and nuclear electric power stations and the nuclear power stations of Germany, Hungary, and Bulgaria process their radioactive waste with equipment designed by the Sverdlovsk Chemical and Petroleum Machine Building Scientific Research Institute.... However, in the past two or three years there has been a notable tendency to acquire similar equipment abroad; moreover, contracts are as a rule concluded without expert analysis and competitive examination of alternative options. The negative consequences of such purchases are obvious. In addition to the huge expenditure in hard currency on purchasing the equipment, this entails many years of expenditure on maintenance by the manufacturer and on replacing consumable materials...."

"With a sum equivalent to $14.5 million, and that is the cost of the NUKEM project, we could deliver nine times more equipment," Institute Director Borisov claims.

In response to all their appeals the Yekaterinburg chemists received a letter signed by Lev Ryabev, deputy minister of atomic energy, which is more reminiscent of an expression of condolences to the relatives of someone who has died: The ministry shares your concern, the letter said, but we cannot help.

The state contributes only 15 percent of funding to such work. So where does the money come for the German project?

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In the opinion of the Ural scientists, semicommercial and purely commercial structures that have sprung up around the Ministry of Atomic Energy are today deeply committed to developing foreign, rather than Russian, projects. It is paradoxical, but the contract signed with the Germans was ratified almost at the exact same time as the approval of a comprehensive federal program for treating, recycling, and burying radioactive waste and spent nuclear fuels to the year 2005. This program gave priority to Russian scientists and producers.

Naturally, it is for specialists and experts to decide whose project is better. In point of fact, this is exactly what the Ural producers of installations for the purification of radioactive waste are seeking.

"As professionals, it is strange for us to see that the German project is based on ideas that have long been obsolete, and that they are trying to sell Russians far from the best product," Filippov says. "It is easy to avoid this — invite independent international experts, if they do not believe us. But this is not being done."

There is probably no sense in delving into the "history of the question" — specialists know what the Ural institute has done in the past and what it can do. One thing is clear: Profit from waste has become attractive on the world market. And here the government's stance should be clearer, and, as it is fashionable to say nowadays, completely transparent.

Russia: 'Atommash' Collective Seeks Renationalization To Avert Ruin

MM0603114496 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Mar 96 p 1

[Report by Vladimir Ladnyy: "Chub Called in Against Chubays" — from the "Business Tuesday" section p 1]

[FBIS Translated Text] Rostov-na-Donu — The collective of "Atommash," the flagship of the nation's nuclear machine building industry, has asked V. Chub, head of Rostov Oblast Administration, and A. Popov, chairman of the legislative assembly, to prevent the ruination of this unique science-and-production complex. They want the plant to be nationalized and regain its status as a state enterprise. Panic arose in connection with a meeting of "Atommash" creditors. If such a radical solution seems impossible, the letter suggests extending the operation of the "golden" share and transferring 30 percent of the shares in the "Atommash" Open-Type Joint-Stock Company to state ownership.

Russia: Tatarstan Unentitled To Backing for Small Business

MM0603114896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Mar 96 p 1

[Report by Boris Vishnevskiy: "No Help for Tatarstan's Small Businesses" — from the "Business Tuesday" section p 1]

[FBIS Translated Text] Kazan — Tatarstan is not entitled to expect Russian financial support for its small businesses. This was officially announced at the recent First All-Russia Congress of Representatives of Small Business in Moscow. Vyacheslav Prokhorov, chairman of the Russian State Committee for the Support and Development of Small Business, explained his decision as follows. First, Tatarstan does not pay monies received from privatization into the Russian budget. Furthermore, according to Mr. Prokhorov, Tatarstan has to submit an approved republic program for state support of business. Its budget should contain a separate section detailing funding for this program.

Russia: Tyumen Oblast To Pioneer Budget Accord With Federation

MK0603094996 Moscow SEGODNYA in Russian 5 Mar 96 p 2

[Report by Andrey Martynov: "Local Self-Government Components Want Treaty Relations"]

[FBIS Translated Text] The government will consider in March a federal program for the development of Tyumen Oblast. It is possible that thanks to the attention of federal authorities, the oblast will be using a system of relations between Federation components and their budgets which is new for Russia. The system is based on the idea of streamlining local self-government.

The fact is that the current tax system, which divided the taxes into federal, oblast, and local ones, creates in many instances big problems for the budgets of major industrial centers since regional authorities are free to change the rates of other than federal taxes at will. Despite the fact that the city budget is not subordinated to the oblast's budget, authorities of a higher level can at any time make a decision unfavorable for the city funds. For example, frequently military units stationed in an oblast or the traffic police demand funds from the city budget. Encouraged by the law on local self-government several years ago, urban and regional authorities of Federation components tried to adopt a system of obligations and revenues between budgets of various levels enshrined in long-term economic treaties. It transpired that the best option for many regions and big cities would be to conclude two treaties

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like, for example, in Canada, where cities conclude economic agreements with the federation and provinces to guarantee stable budget revenues in the course of several years.

Tyumen Oblast has a unique administrative structure, and this calls for concluding similar treaties. Having taken shape in the oblast is some sort of "administrative-geographical" standoff, consisting in that it comprises two independent federation components — Khanty-Mansi, and Yamal-Nenets Autonomous Okrugs. Separatist moods in Russia's main oil-bearing province may result in a war of budgets and a division of the oblast into three parts. This may be avoided if a package of economic agreements is signed.

Reforms in the fuel and energy complex could not but have affected the oblast's administrative center, to whose development a separate chapter is devoted in the federal program. In the opinion of Tyumen Mayor Stepan Kirichuk, the setting of long-term economic norms, including those with regard to taxes, will result in a greater interest of the bodies of local self-government in increasing the taxable base. "We will be interested in opening new manufacturing businesses, on which the city will levy taxes. Last year, 2 trillion rubles were collected in taxes in Tyumen alone, but that did not make our life any easier because approximately 1.5 trillion went to the top. While four years ago the city kept 47 percent of all tax revenues, now it keeps 34 percent. The more taxes we collect the more money goes to the center," Mr. Kirichuk complained.

Naturally, the oblast budget has long been sealed, for which reason concluding a treaty for 1996 is unlikely. Still, if the insistence of the regional and city authorities should result in a precedent and it becomes possible to conclude a treaty after all, there will be an opportunity to outline the contents of first economic treaties at the time of drafting 1997 budgets.

Economic Issues

Russia: Central Bank Official on IMF Credit

964F1280A Russia ARGUMENTY I FAKTY in Russian Feb 96 No 9, p 5

[Interview with Central Bank Deputy Chairman Vyacheslav Solovov by ARGUMENTY I FAKTY correspondent Regina Lukashina; place and date not given; under the rubric: "Details": "Will the IMF Credit Become a Good Genie?"]

[FBIS Translated Text] [Lukashina] Vyacheslav Ivanovich, the Russian leadership was able to convince IMF Executive Director Michel Camdessus that the $10.2 billion in credit to be issued over a period of three years to support the government program of reforms will not be used for consumption or squandered. What will this money be used for? And what would happen if we did not have it?

[Solovov] Revenue line items in the 1996 budget envisage $3 billion provided by this credit. If the IMF executive board approves the issuance of credit to Russia in April, we will get $4 billion in three installments before the end of the year. The Central Bank, jointly with the government, will spend this money as envisaged by budget expense items but under the strict control of IMF experts. If we deviate from the economic program, they can suspend the further release of money.

Now about "what would happen if we did not have this credit." We would have to shop around for funds for all sorts of payments (social programs, payments on government obligations) in other foreign banks, and this time indeed on crushing terms.

[Lukashina] In other words, by taking IMF credit we are not selling ourselves into bondage of Western financial capital?

[Solovov] In all truth, it would be hard to imagine better benefits than those we are being given. The scheme of the IMF's work with countries that are buyers of its credit is that the funds are made available to support the program of economic development. Can the IMF support a country's economy and at the same time strangle it with crushing interest? We do not have to make the first payment until four and half years from now, and the total payoff period is 10 years.

[Lukashina] What could happen over this period of time?

[Solovov] Unless inhabitants of Russia completely lose their senses and the national economy turns back, we have a very good chance of seeing prosperity. This credit has symbolic meaning: The IMF has approved our program of reforms and thus certified a certain stability of the Russian economy. The issuance of the credit makes it easier for Russia to negotiate with the Paris Club on long-term restructuring of the foreign debt of the former Soviet Union. Had we not reached an agreement now, our country would indeed end up in bondage: This year alone we would have to pay out sums close to the worth of the Central Bank's gold reserves. I do not have to explain how badly this would hit the population. By expressing confidence in us, the IMF, like a traffic cop, is pointing the way for those foreign investors who still have doubts regarding whether they should bring their capital into unpredictable Russia. There is now another incentive for

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nonresidents' participation in the GKO market—in the two first auctions alone we received $420 million from them. If foreigners continue coming into this market, in the first half-year alone we will get from them at least $1.5 billion. This will also prop the stability of the internal bond issue. Foreign capital accounts for half the foreign currency bond issue. The IMF's confidence is also a guarantee that Russia will be able to successfully place $2 billion worth of Eurobonds—they also became attractive thanks to Mr. Camdessus' good word.

[Lukashina] Which means that the IMF credit has turned out to be a good genie for Russia? Another question then: Social programs and budget payouts will require considerable outlays, but additional emission is impermissible; instead, a serious role in reducing the budget deficit is envisaged for short-term government bonds [GKO's]. How are they doing now that their yield is declining?

[Solovov] The dynamics of this process is stable. As soon as the rate of price increases in the economy stabilized, a considerable disbalance formed between GKO yield and the real decline in inflation. But GKO's inherently could not become just another version of financial "pyramids." The government and the Central Bank stand ready to bring these processes into balance. The introduction of the foreign currency corridor and reducing the yield on GKO's are part of this policy. Unfortunately, commercial structures— especially those that make a living in this business—perceive these actions negatively. They need to restructure, but we cannot make sharp moves either—we need to give those commercial structures that have a considerable part of their assets in GKO's time to adjust. Neither can we undermine confidence in these securities, which could happen if the yield falls below a certain threshold. A compromise is needed in this respect. But it is obvious that the yield should be brought down, to the real rate of inflation. There is nothing surprising in this.

[Lukashina] The annual yield is currently about 56 percent; what do you forecast by the summer?

[Solovov] Foreign currency corridor limits for the second quarter have been announced. It has been clearly indicated by the Central Bank that the rates will go in the direction of a decline. The potential for GKO yield decline is within the same margins. With smooth leveling, the upper limit is 60-65 percent, and by the end of the quarter it can be brought down to 40 percent annually. As to nonresidents, foreign banks, there is a mechanism limiting their profit by establishing a special rate in the reverse exchange of rubles into foreign currency. For them, the GKO annual yield is now only 25 percent, but they are very happy—by Western standards this is quite decent. Hence their activism—in just two auctions with the participation of foreign banks they bought up more than one-third of the whole issue.

[Lukashina] Among General Kulikov's proposals also was this: Keeping in mind that CIS debts to Russia are already in excess of $9 billion, issue special securities against this debt, by selling or mortgaging which near abroad countries' budgets could be undermined and they could thus be made to pay. What do you think of this?

[Solovov] All relations with Commonwealth countries are regulated by a special government commission. I am a member of this commission. The part of this debt that is associated with government activities is the responsibility of CIS countries' governments, but a considerable share of this 9 billion is what economic entities in the near abroad owe to our joint-stock companies—the RAO [all-Russia joint-stock company] Gazprom, the oil and power generation industry. The first question that always comes up is whether a particular state is willing to pay off the debts of its economic structures or not? Even if it is, and, correspondingly, issues securities, will there be a potential buyer for them? If a CIS member state cannot pay, who will buy its securities; will there be demand for them? Unlikely. Therefore Anatoliy Kulikov's proposal is of questionable value. But in some situations this mechanism can be used. There is no breakthrough here—the only question is whether or not to push the state into using this mechanism.

Russia: Commentary on Dollar Corridor, Central Bank's Role

MK0503145196 Moscow KOMMERSANT-DAILY in Russian 5 Mar 96 p 2

[Commentary by Vadim Bardin: "How Will Dollar Vote on 16 June"]

[FBIS Translated Text] The calendar says it is spring. [Traditionally, 1 March is considered the first day of spring] Although a dirty-gray color dominates Moscow's streets, green is about to break through. This also applies to the dollar. Boris Yeltsin stated on the last day of winter that the hard-currency corridor would not be extended into the second half of 1996. Officials of government departments and bankers have already come up with comments and forecasts with regard to the behavior of the dollar once it breaks out of the corridor. KOMMERSANT-DAILY has decided to make its own small contribution.

Two Halves of the Year — Two Policies

What does the coming scrapping of the hard-currency corridor imply: the next step toward a fixed hard-

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currency rate or, on the contrary, a return to free sailing on the waves of inflation?

Presidential edicts have been stressing social policy since the start of the year. It began on 19 January when two first edicts were issued with regard to debts to budget-funded enterprises which were permitted to be repaid using, among other things, a deferment of the repayment of overdue taxes. Subsequently, the government joined in. A month later, on 21 February, the latest social presidential edict was issued. The federal labor inspectorate, the tax inspectorate and the police, were pressed into service to check up on the "observance of the legislation on wages in organizations regardless of the forms of ownership, subordination and jurisdiction." Also pressed into service were the General Prosecutor's Office and the Supreme Court.

The central idea of the campaign is to restructure the debts of enterprises in such a manner that they could solve their social problems on their own without resorting to the [state] budget. It is in this way that the president and the government are trying to manage without any openly inflationary financing. This is the ideal. But everybody in fact understands that it is impossible to manage without printing more money. According to the official version, the sequence of events is as follows: During the first six months, before the presidential election, social payments will inevitably lead to softening of the financial policy and expand money supply in circulation, but there will follow a phase of compression in the second half of the year.

There is, however, one significant "but" to it. Quite in line with this plan would be the following changes in the hard-currency corridor: its widening after 1 July to be followed, still in 1996, by its narrowing. But it was not what the president was speaking about on 29 February.

Central Bank as a DJ

Boris Yeltsin made it understood in no uncertain terms: the hard-currency corridor would cease to be after 1 July. (Strange as it is, the opposition has not evoked for the president's benefit the following phrase of Louis XV: "Apres moi le deluge"). Against the backdrop of financial relaxation before the election, the demise of the hard-currency corridor (which was introduced to provide prices with a hard-currency anchor) may be interpreted as official admission that the authorities will take a time-out in the bout with inflation.

There is also the opposite opinion. It comes down to the fact that the Central Bank has accumulated sufficient experience to maintain the ruble rate against hard currency within the range it considers as the optimum. The Central Bank's experience in conducting its hard-currency policy is backed by considerable hard-currency reserves and the possibility to regulate profitability of state securities. But if nothing essentially changes, why was it necessary to announce the scrapping of the hard-currency corridor?

A possible answer is this: the IMF insists on scrapping the hard-currency corridor. It is no accident that Boris Yeltsin's statement followed upon the completion in Moscow of the talks with IMF Managing Director Michel Camdessus. Right from the start, the IMF was not exactly delighted with extending the hard-currency corridor until 1 July 1996. The Fund saw in it — not without grounds — infringement on the interests of Russian exporters. Now exporters can breathe freely because, even before scrapping of the hard-currency corridor, the government is supposed to virtually do away with the export tariff (there will only remain oil export duties, but not beyond 1 July). The exporters' joy will be clouded by higher excise duties and new internal taxes of which KOMMERSANT-DAILY wrote on 2 March. In sum, the role of the Central Bank as the key agency in monetary policy is growing; in the final analysis, it is in charge of both the IMF's credit to Russia, and the hard-currency rate policy.

Come Tomorrow

One has to admit that the rate of exchange after 1 July is to be determined by some factors other than the Central Bank's qualifications. There are two: First, is the extent of the money-supply increase before 16 June. Second is the personality of the Kremlin incumbent.

There are also two forecasts. The Central Bank will be able to keep the ruble rate in a secret hard-currency corridor should Boris Yeltsin and the forces that fundamentally share the principles of the economic policy followed in 1995 remain at the top. But, should the political Olympus be scaled by those who set themselves the task of adjusting the economic policy by turning to inflation, the Central Bank would be able to at best "tie up" the rate of exchange to the internal inflation [rate], and at worst, create the threat of a return to the monetary policy of the pro-inflation models of 1992 and 1993. The economic burdens may grow should the IMF find the new economic policy unacceptable and suspend the provision of the $10.2 billion credit for which the IMF has just given Moscow its clearance.

Russia: Statute on Ministry of Fuel, Energy Ratified

MM0603114396 Moscow ROSSIYSKAYA GAZETA in Russian 2 Mar 96 p 6

[Russian Federation Government Decree No. 60 "On the Ratification of the Statute on the Russian Federation

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Ministry of Fuel and Energy, signed by Russian Federation Government Chairman V. Chernomyrdin and dated 27 January 1996, Moscow, accompanied by commentary by Aleksandr Linkov, under the general headline "In the New Situation the Tasks Are Also Different" — from the "Documents" section]

[FBIS Translated Text] The Russian Federation Government decrees:

1. To ratify the attached Statute on the Russian Federation Ministry of Fuel and Energy. (Not published)

2. To deem invalid Decree No. 504 of the Russian Federation Council of Ministers-Government dated 30 May 1993 "On the Ratification of the Statute on the Russian Federation Ministry of Fuel and Energy" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII [COLLECTED ACTS OF THE RUSSIAN FEDERATION PRESIDENT AND GOVERNMENT], 1993, No. 23, p. 2115)

[Signed] Russian Federation Government Chairman V. Chernomyrdin

[Commentary] Not long ago, the Ministry of Fuel and Energy collegium summed up the results of the sector's work for the past year and determined the tasks which are to be carried out now. As Minister Yuriy Shafranik noted in his report, the situation in the Russian fuel and energy complex is mixed, although the trend for a reduced rate of recession has prevailed.

In the difficult situation, the fuel and energy complex has nevertheless been able to ensure the needs of the Russian economy in terms of energy sources and their supply for export in the past year. In 1996, the budget is supposed to receive over one-third of all its income from the activity of the fuel and energy complex.

The new Statute on the Ministry of Fuel and Energy, ratified by the Russian Federation Government, will also play a role in the stabilization of the sector's work. The document clearly stipulates the basic issues in the activity of the federal organ of executive power which it is to be involved in now.

In the broad sphere of problems in the ministry's field of vision, the provision of various kinds of fuel and their rational use for the needs of the national economy and the country's population demand primary attention. That is why the department has been entrusted with the coordination of the activity of electric energy enterprises, enterprises in the oil extraction and oil refining, gas, coal, shale, and peat industries, gasification, the gas supply, and other organizations in the fuel and energy complex.

This is not a question of a return to directive methods of management, but a case of the Ministry of Fuel and Energy actively conducting state energy policy. It is being entrusted with the task of continuing restructuring, developing the competitive environment, changing property relations, and carrying out demonopolization programs in the sector. But while carrying out this work, the ministry should not weaken state monitoring of the rational use of oil, gas, and coal. It is obliged to be involved in regulating the development and use of the raw materials base.

Fuel and energy play a large role in establishing good-neighborly relations with CIS states. And the Ministry of Fuel and Energy has no small part to play in establishing business cooperation with them, conducting production cooperation in the fuel and energy complex sectors, and carrying out joint projects. The duty of preparing materials for the Russian Federation president and government for talks and for the purposes of concluding international agreements falls to its specialists.

The ratified statute assigns the broad range of issues which the Ministry of Fuel and Energy is to be involved in. They all have a common aim — this sector, one of the leading sectors of the domestic economy, must work stably.

Russia: Price Increases Threaten Oil Sector Competitiveness

MM0503170796 Moscow IZVESTIYA in Russian 5 Mar 96 p 2

[Report by Sergey Leskov: "Universal Surge in Gasoline Prices in Russia"]

[FBIS Translated Text] On 1 March, in addition to the official arrival of spring, an event occurred that had long been considered inevitable by smart people, who had even named the date it would happen with an accuracy economists can only envy. All Russia's oil companies announced major increases in the prices of petroleum products.

The most notable hike occurred in Moscow. A liter of A-92 gasoline now costs 2,100 rubles [R] instead of R1,700, a liter of A-76 R1,700 (previously R1,500), and a liter of diesel fuel R1,200 (previously R1,000). A small gift for owners of foreign-made cars that run on A-95 — the price remains the same, R2,200. The explanation is simple — it is an imported product.

At the other end of the scale is St. Petersburg, where the average price increase was only three percent; this is due to competition with Finnish and Belarusian producers, who in December and February even induced the Kirishi refinery to lower its prices for petroleum products.

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In the majority of regions petroleum product prices had not risen since the summer, which in conditions of 200-percent inflation per annum is an undoubted achievement. But the predicament that overtook motorists and emptied the highways in the first working days of March is not linked with a chase to keep up with inflation. The point is that the oil companies themselves will not receive a bean from the price increases; many oil refineries continue to operate with zero profitability.

The price increases are in fact exclusively due to the government decree adopted back in November on revaluating the assets of the country's largest enterprises, which automatically increases the prime cost of their output. Talk about the untimeliness of this decision, which reduces the competitiveness of Russian oil producers, did not influence the situation. It was not enough that for many companies it has already become unprofitable to export oil, but it is even impossible to rule out the scenario that has already occurred in the coal sector, where imported raw materials have pushed Russian coal off the internal market.

The Russian fuel and energy complex is still not in robust health. In 1995 oil extraction fell by 11 million tonnes to 307 million tonnes. The level of capital investments fell by a further five percent, and the fuel and energy complex's credit debt grew by 130 percent, reaching R136.7 trillion.

However, ITAR-TASS reports from Barnaul that the "Barnaulnefteprodukt" joint-stock company has lowered prices of all forms of fuel in that region. The price of AI-92 gasoline is R1,500, the summer price of diesel fuel is R1,150, the winter price R1,340. Valeriy Deryabin, the enterprise's director, told the ITAR- TASS correspondent that "Barnaulnefteprodukt" has started operating at a loss but was forced to reduce prices because of competition from commercial structures.

Russia: Revaluation of Oil Capital Assets Viewed

964E0602A Moscow DELOVOY MIR in Russian 10 Feb 96 p 1

[Article by T. Dzokayeva: "With Revaluation of Capital Assets Oil Exports Will Suffer"]

[FBIS Translated Text] Never before have journalists seen so many oil company vice presidents in one place at one time. Leonid Fedun noted that fact when introducing his colleagues from Surgutneftegaz, Slavneft, Sidanko, and Yukos. Companies which together account for half of the oil extracted in Russia. The petroleum elite were brought together by concern regarding the forthcoming revaluation of enterprise capital assets. As commonly known it is being conducted in compliance with a government decree which was issued at the end of last year. Revaluation indexes, prepared by the Goskomstat [State Committee on Statistics], are the same for all branches. However, they do not pose an equal threat to all of them. For oil companies, taking into account the structure of their capital assets, the capital revaluation factor equals 2.8. It is specifically this that makes the oil workers so utterly despondent. Why so? Is revaluation some sort of a natural disaster?

Looking at it on a detached and theoretical level the revaluation of capital assets is a totally favorable and a completely valid economic act. It is known how the Russian economy is suffering from the undervaluation of its production assets. We recall how the words "book value" made us shudder having in mind a bookkeeping figure spun out of thin air, which is a leftover from the nonmarket Soviet system. Making use of strictly symbolic data, the officials in government agencies transferred huge production assets to private ownership by physical and legal bodies, thereby depriving one segment of society while fabulously enriching another one. Resolving their initial task involving the free formation of a class of owners, the rulers then addressed economic laws and from time to time began raising the value of production assets, glancing askance at their market potential. That was a rather belated, but a necessary measure. Otherwise our economy would enter the world arena without a nominal value. As a result this land of true wealth would turn into a worthless beggar, which would prompt those gaining power to acquire incalculable wealth, cloaked in ethereal economic shells, from such a metamorphosis. One recalls how the first generation of democrats, with the cooperation of the former mayor of the capital, sold 60 hectares of Moscow land, including Gagarin Square, for the sum of $10. "Our land has no price," parried those clever people in response to what had happened. How about those 170 million which was what Norilskiy Nikel was evaluated at by our rulers? Is that not a part of that same shell? If the assets had been evaluated in a "market fashion" this would not have happened. On the whole the economic agencies are undoubtedly right in increasing the value of assets, striving to bring them up to market value. Then Russia would appear before the amazed world not in its potential but in all of its true richness and wealth.

That, however, is a task for managers who reason and act using a systemic approach, but having already bored everyone with the term "macroeconomics", which became a kind of epithet, our economic agencies, while actually being close to a "systemic approach," which is what permits creation of a macroeconomic structure, are refusing to implement it. That revaluation principle,

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which the oil workers discussed, which is called the "knee-jerk" [transliteration: "chokh"] principle and takes place out of contact with the other components of the economic structure of society, is proof of that. Actually it was that which served to unify the oil elite gathered at the press conference.

It would appear that revaluation would be advantageous for the oil workers and is being conducted out of the noble desire to create a more favorable investment climate for the branch, where the amortization share comes to 25 to 30 percent of the expenditures. Such a growth of amortization in expenditures will lead to a sharp rise in production costs and in prices for the products. It would be better if the investments would also increase simultaneously, but, as believed by representatives of the biggest Russian oil companies, the absence of effective demand on the Russian market will destroy that cherished dream. Investment sources will not increase under conditions created by a growth of indebtedness (due to a rise in prices), including indebtedness for wages. At the present time, indebtedness in the country has already reached pathological proportions.

The oil workers submitted certain figures. As a result of the revaluation the cost of producing oil in the first quarter of this year will rise from 209,000 to 344,000 rubles [R] per tonne, while the price of oil, with the excise tax, will go up from R315,000 to R451,000. In other words, on the average the price of oil will increase by a factor of 1.5, amounting to $88-97 per tonne. That does not include the value-added tax. Finally the production cost of oil will exceed the export price by about $10 per tonne. Thereby the concept of oil exports will become a phenomenon which has passed, and that is why it will be possible only to sigh and say "Oh, Nostalgie!"

In addition to cessation of exports, however, there will be many other troubles. At the present time the rise in prices is already the main limiting factor in growth of production, while with a rise in oil prices, the extraction of oil itself will decline, as oil workers believe, by not less than 30 percent. At that time, however, the anticipation to enrich the treasury through rising property taxes (thanks to the revaluation of assets) will fail to materialize. One noble concept is neutralized by another one. What positive economic result will then be produced following revaluation? The oil vice presidents cannot find an answer to that question.

Russia: Train Fares Comparable With Air Fares After Latest Hike

MM0503165596 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Mar 96 p 4

[Report by Yelena Arakelyan: "Train Fares Catch Air Fares"]

[FBIS Translated Text] On 27 February the price of railroad tickets went up again — by 20 percent. People now have to pay 83,400 rubles [R] to travel from Moscow to St. Petersburg in a fast train sleeping compartment, R105,200 to travel to Kiev, and R219,500 to travel to Sochi. The cost of traveling from Moscow to Khabarovsk in a "Rossiya" deluxe train sleeping compartment now compares with the cost of flying the same route — R1.3 million.

The tariff increases also apply to commission charges for selling tickets and for transactions involving travel documents and to the reservation of train seats, baggage storage and carriage, and so forth.

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International Affairs

Ukraine: Udovenko on NATO Expansion, Russian Ties

BR0603110496 Copenhagen BERLINGSKE TIDENDE in Danish 5 Mar 96 p 13

[Report by Flemming Rose incorporating interview with Ukrainian Foreign Minister Hennadiy Udovenko in Kiev; no date given: "Ukraine Has Become Europe's Poorhouse"]

[FBIS Translated Excerpt] Kiev — Dependency: Ukraine, potentially one of Europe's richest countries, is today enduring a bleak existence among the continent's poorest nations, because until recently it has said no to radical reforms. Ukrainian Foreign Minister Hennadiy Udovenko will arrive in Copenhagen today. [passage omitted] In foreign policy the young Ukrainian state has to balance between these internal poles: between the east- and west-oriented sections of the population, between Russia and the West, between the Russian-dominated eastern Ukraine and the nationalist western Ukraine, between the older and the younger generations, between rich and poor.

Minister to Copenhagen

It is this view that Ukrainian Foreign minister Hennadiy Udovenko will transmit to the Danish Government during his official visit to Copenhagen today. BERLINGSKE TIDENDE met with Udovenko late one evening in Kiev just before he left for Denmark and asked him about Ukraine's view of NATO's eastward expansion, the European Union, and relations with Russia.

The draft version of a new constitution which is expected to be adopted over the next few months confirms Ukraine's position as a nonaligned state — that is that Ukraine neither wants to be part of the military cooperation within the framework of the former Soviet Union in the CIS nor seek membership of NATO, the Western defense alliance.

According to Udovenko, there are still people in Ukraine who are still influenced by their Soviet upbringing, which proclaimed NATO to be public enemy number one, a big and dangerous monster against which Ukraine had to defend itself. Even though membership of NATO does not figure on Ukraine's shopping list, Kiev is interested in integration into all the European institutions and is hoping to become a member of the European Union in the long term.

"We are concerned about a NATO enlargement to the east. This is of course a matter only for NATO and the countries seeking membership, and no one can have a right of veto. But at the same time we believe it is a big mistake to think that decisions affecting Europe's future can be made without involving Russia. It is extremely dangerous to isolate Russia in Europe," said Hennadiy Udovenko, a 64-year-old former Soviet career diplomat with experience from the United Nations in New York and Geneva. Immediately prior to his appointment as foreign minister in August 1994 Udovenko was ambassador to Poland.

Afraid of NATO Enlargement

"If NATO is enlarged toward the East, Ukraine risks becoming a buffer zone between NATO and Russia. In such a situation Ukraine would be under great pressure to join CIS military cooperation. The better the relations between NATO and Russia, the better for Ukraine," Udovenko continued. He is arguing in favor of the setting-up of a cross-spectrum working group comprising representatives of all the existing organizations and cooperation institutions in Europe.

"I am thinking of NATO, the EU, the OSCE [Organization for Security and Cooperation in Europe], the WEU, and others who will sit down together and formulate a security model for Europe in the 21st century. NATO is just one element in this process."

According to Udovenko, Ukraine is interested in maintaining close but equal-footing relations with Russia.

The limit for Ukraine's involvement in CIS cooperation is the line where the country's sovereignty and independence are under threat. The Ukrainian parliament has never ratified the CIS cooperation statute.

"We are afraid of supranational structures. Nobody is prepared to protect us. The Russian mentality finds it difficult to accept Ukraine's independence. We saw this most recently when Russian communist and presidential candidate Gennadiy Zyuganov visited Kiev together with a group of Duma deputies. They still support the principle: Communists of all countries unite!" Foreign Minister Udovenko argued.

"The best guarantee against a setback in Russia and Ukraine is the success of the reforms, so Russia itself must have an interest in an independent and economically well-based Ukraine, and vice versa. We are like communicating vessels. What happens in Russia affects us directly, while what happens here in Ukraine is echoed in Russia."

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Ukraine: Foreign Ministry Defends Cooperation With Iran

WS0603095196 Kiev INTELNEWS in English 0309 GMT 6 Mar 96

[By Halia Pavliva, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, March 5 — Ukraine's Foreign Ministry reacted testily to criticisms of its policy of cooperation with Iran on Tuesday, responding to a question on the Middle Eastern country's human rights record by comparing it with Ukraine's own report card on the subject.

"We are made aware of legal norms violations in Iran just by those who achieve their economic interests in spite of any logic, by selling arms for instance," said ministry spokesman Yuriy Serheyev at a regular weekly briefing.

Asked why Ukraine maintains relations with Iran, given its record of violating the rights of women, children and Jews, Serheyev said that "one should not mix up the human rights (record) of present (Iran) with the traditions."

According to Serheyev, "there are processes in the region which bear witness to a struggle of general democratic principles against fundamentalism."

He said that "Ukraine also has certain newspapers that humble Jews on the brink of legality," [as received] citing as an example Za Vilnu Ukrainu (For Free Ukraine), a newspaper published in Lvov. Such phenomena should not result in the isolation of a country, Serheyev said.

"Cooperation with Iran is better than its isolation, because, cooperating, we introduce elements of our culture into this society," he added.

Ukraine: Kiev Not Interested in Purchasing Iranian Oil

WS0603103696 Lvov INFOBANK in English 0810 GMT 6 Mar 96

[From the "News Service" feature]

[FBIS Transcribed Text] From sources in the Ukrainian Ministry of Foreign Affairs, an INFOBANK correspondent learned that on March 4-5, during a visit of the Iranian Minister of Foreign Affairs, 'Ali Akbar Velayati, the Ukrainian side did not raise the issue of purchase of Iranian oil and gas. The same sources emphasized that export of Iranian energy resources will cost Ukraine more than their purchase from Russia. In addition, before the completion of the oil terminal in Odessa, transportation of oil and gas from Iran to Ukraine will be difficult.

A representative of the Ukrainian Ministry of Foreign Affairs added that due to this fact, the Ukrainian side considers it more expedient to participate in a project of Iranian gas transportation to Western Europe. According to information provided to an INFOBANK correspondent at the Iranian Embassy in Ukraine, Ukrainian producers can supply rolled metal and various types of equipment for this project. This gas pipe-line will connect Iran and Western Europe. At the initial stage, 25 billion cubic meters of gas will be piped through the territory of Ukraine annually, and at the final stage, 100 billion cubic meters of gas annually.

During his international tour, 'Ali Akbar Velayati intends to visit the former Soviet states which are interested in the implementation of the gas transportation project. Before his visit to Kiev, the Minister visited Kazakhstan, Azerbaijan, and Georgia. On March 5, he will begin his visit to Russia, which will be followed by a visit to Armenia. The above-mentioned states are also interested in another transportation project which would provide a rail connection with Iran. 'Ali Akbar Velayati invited leaders of all these countries to participate in the opening ceremony of a railroad between Meshkhed (Iran) and Ashkhabad (Turkmenistan). The ceremony is to be held on May 13, 1996. The new railroad will connect the Iranian railroad system with the CIS railroad network.

Ukraine: China To Coordinate Foreign Policy on Human Rights Issues

LD0503164896 Kiev UNIAN in Ukrainian 1440 GMT 5 Mar 96

[FBIS Translated Text] Kiev — Chinese Deputy Foreign Minister Zhang Deguang expressed satisfaction with his talks at the Ukrainian Cabinet of Ministers and the Foreign Ministry. Speaking at a meeting with members of the Supreme Council Commission for Human Rights, Ethnic Minorities, and Interethnic Relations, he said: "We managed to achieve a common approach to the development of Ukrainian-Chinese relations."

According to Zhang Deguang, the two sides "agreed to a coordinated course of action within international organizations, particularly on the issue of human rights."

The commission chairman, Volodymyr Butkevych, told the Chinese official that the Ukrainian draft constitution contained a section on human rights that conformed to international standards, as well as Ukraine's historical traditions.

Zhang Deguang expressed hope that "Ukraine and China can play a significant role on the international scene as countries located in the centers of Europe and Asia."

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The Chinese delegation, led by Deputy Foreign Minister Zhang Deguang, ends its visit today.

Ukraine: Lack of Funds Postpones FRY Peacekeeping Mission

WS0603094996 Kiev INTELNEWS in English 0309 GMT 6 Mar 96

[FBIS Transcribed Text] Kiev, March 5 — Lack of bucks has thrown a monkey wrench into Ukraine's contribution to peace-keeping efforts in the former Yugoslavia.

Foreign Ministry international organizations chief Volodymyr Yeltchenko announced Tuesday that the start of Ukraine's United Nation's "blue helmet" mission in Eastern Slavonia "is being postponed because of the absence of finances."

Yeltchenko explained on Ukrainian television that while about $1.5 million is needed to prepare equipment for the operation, the Finance Ministry has refused to allocate the money because the 1996 budget has yet to be passed by Parliament.

Ukraine: Negotiator Satisfied With Talks With Romania on Treaty

LD0503141796 Kiev UNIAN in Ukrainian 1145 GMT 5 Mar 96

[FBIS Translated Text] Kiev [no date as received] — At a briefing at the Ukrainian Foreign Ministry, Ambassador-at-Large Volodymyr Vasylenko positively assessed the results of the sixth round of talks on preparing the text of a basic political treaty between Ukraine and Romania.

In particular, he expressed satisfaction in connection with reports in the Romanian press, as well as a statement by an adviser in the Romanian Foreign Ministry, on experts having achieved mutually acceptable formulas for practically all of the articles discussed during this round of talks. On the whole the treaty's provisions concerning individuals belonging to ethnic minorities are at issue.

Volodymyr Vasylenko said that article 2 and part of the preamble to the text of the treaty — that is, provisions concerning the "most acute issue," namely confirmation of the existing state border line and refusal by the sides to make territorial claims — was removed from the framework of the talks. The Ukrainian stance on these issues is to use formulas of the Helsinki Final Act on the inviolability of existing borders and mutual refusal to make territorial claims.

Volodymyr Vasylenko also noted that so far there is no accord that all of the agreed issues are final. He said that Ukraine would strive to initiate the next round of talks in Kiev in order to complete coordination of the text of this treaty.

Ukraine: Purposes Behind Visit by Duma Team Viewed

WS0603120196 Kiev KIYEVSKIYE VEDOMOSTI in Russian 28 Feb 96 pp 1,3

[Article by Olha Chorna, Oleksandra Korzhenevska, and Serhiy Rakhmanin: "Zyuganov Left Yesterday. Should We Expect Yeltsin Tomorrow?"]

[FBIS Translated Text] Judging by all signs, a visit to the Ukrainian capital by high-ranking Russian guests led by Duma Speaker Gennadiy Seleznev and his namesake — Zyuganov, leader of the Communist Party of the Russian Federation [KPRF] and presidential candidate — may result in Boris Yeltsin's quicker arrival on the banks of the Dniepr. One can presume that Boris Nikolayevich will not react to his opponent's activeness in a calm manner. Plus, the visit to the "mother of Russian cities" by the well-known Russian leftist have seriously alarmed Ukrainian right-wingers. And, perhaps, from the two "evils," they have select the lesser one.

The right-wingers will try to exert all efforts to consolidate the status quo in the relations between Ukraine and Russia as soon as possible, while Boris Yeltsin (who is an imperialist, though not a communist, as Rukh leader Vyacheslav Chornovil noted) is still in power. This thought became a leitmotif of the latest meeting between the Rukh chairman and journalists.

Vyacheslav Maksymovych arrived for the news conference immediately after the Duma delegation's meeting with Ukrainian Supreme Council faction leaders. He said that an exchange of parliamentary delegations between different countries is generally a normal procedure, but if such an event is "organized in an underhanded way and for unclear purposes..." Even the Supreme Council Presidium, according to Mr. Chornovil, did not know about the upcoming visit. In response to deputies' grievances against him, Ukrainian Speaker Oleksandr Moroz stated that he himself had invited the Russian colleagues, as the Rukh chairman reported, and provided his own assessment of the situation: "This is too much even for the parliament chairman."

Sharing his impressions of the meeting with the Russians, Vyacheslav Maksymovych noted that tones of regret over the destroyed Soviet Union crept into the speeches of both Gennadiy Zyuganov and Gennadiy Seleznev, though they did not directly call for its restoration. For the sake of justice, it should be said that there

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were not only communists, but also representatives of other Russian political parties in the Duma delegation. In the opinion of Rukh, however, one can hardly count on them as reliable partners because the majority of Russian parties were established for specific leaders (for example, Yabloko or Russia Is Our Home), and this means that they cannot represent a real force. Thus, the national democrats believe that the only salvation from the threat to Ukrainian statehood coming from the Russian Communists is... a quicker signing of a large-scale treaty between Ukraine and Russia, which would lay a legal foundation for bilateral relations. This is why it seems that the national democrats will have to give up their intention to "accompany" Boris Yeltsin's visit to Ukraine with actions of protest, Vyacheslav Chornovil stated. The Russian president is now becoming a desirable guest for them.

This was perhaps the main reason behind the Ukrainian right-wingers' "inhospitality" with regard to the Russian parliamentarians. After all, is it worth elevating a completely ordinary event to the level of a noisy political action? Everything became clear when the Rukh leaders defined the goals of the Russian force that landed on Ukrainian land. The first goal was to show that all problems in relations between our states disappear when communists get down to work, and second — to spur integration processes. Thus, the right-wingers perhaps unintentionally admitted the increasing role of left-wing forces in our country. And when an enemy is strong, a search for political satellites proceeds according to the following simple pattern: "The enemy of my enemy is my ally (be it even a temporary ally)."

Another goal of Zyuganov's arrival (despite all the respect for delegation head Gennadiy Seleznev, this most probable candidate for Russian president is becoming an increasingly important figure) was to search for allies. Russia's chief communist did not simply come to secure support of like-minded people once again (which will be useful in the future and not useless during the election campaign). During his Ukrainian trip, comrade Gennadiy attempted to probe the ground for further contacts — at other, higher levels. And he naturally tried to leave a pleasant impression of himself.

Addressing journalists, he partially achieved this, despite the fact that sometimes one might get the impression that he was addressing Russian voters.

The KPRF leader was confident, and — we must admit— looked convincing. Having stated that Ukraine should not expect any surprises in case he is elected president, he pledged that attention to Ukraine will more careful, benevolent, and respectful. Following this, he revealed his peculiar understanding of political terms, stating that in the Soviet era "rich and thriving Ukraine was fully and absolutely sovereign." In this regard, his statement that cooperation between our countries will only deepen their sovereignty proved to be quite equivocal.

As it became clear, Gennadiy Zyuganov, who is not a dogmatist, is not going to adhere to Lenin's thesis about nations' right to self-determination right up to secession. He stated that in case of his victory in the elections, one of the basic principles of the new cabinet will be Russia's territorial integrity.

I would like to repeat the following question voiced during the news conference: Does the fact that the Ukrainian Communists are for abolishing the presidential office, at the same time as Gennadiy Zyuganov intends to become president, not mean that there is an agreement between the Ukrainian and Russian communists, according to which one president is enough?

It is hard to say whether on the fraternal Ukrainian land Zyuganov, Seleznev, and their colleagues obtained enough information for further consideration. It is unquestionable, however, that the visit was useful for them — all the more so since the Russian guests held an important meeting yesterday at 1800 [Kiev time], despite KIYEVSKIYE VEDOMOSTI's speculations. Judging by all the signs, Ukrainian Prime Minister Yevhen Marchuk had to curtail his trip to Donetsk, thus gaining time to meet the guests.

Most likely, the talk during this meeting was about a large-scale Russian-Ukrainian agreement. True, as Russian parliamentary delegation member Vladimir Lysenko said (do not confuse him with Nikolay Lysenko, who once mocked Ukraine's state flag), even if a "framework" agreement is signed in the immediate future, the State Duma will hardly ratify it. To illustrate the mood among Russian lawmakers, he recalled the vote on a draft bill suspending the reduction of the Black Sea Fleet (317 votes "for" and four "against"). It is interesting whether these figures will be heeded by Boris Yeltsin, who is once again pondering the following dilemma: To go to Kiev, or not to go?

National Affairs

Ukraine: Defense Ministry on Black Sea Fleet Division

LD0603121596 Kiev UNIAR in Ukrainian 0850 GMT 6 Mar 96

[FBIS Translated Text] Kiev [no date as received] — The transfer of Black Sea Fleet facilities, arms, equipment and property to the Ukrainian Navy is proceeding in accordance with the schedule approved

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by the Ukrainian and Russian defense ministers in Sochi in November last year, a UNIAR correspondent learned at the Ukrainian Defense Ministry's press office.

According to the press office, there are no grounds for the decision by the Russian State Duma of 14 February this year to "suspend reduction and transfer of shore infrastructure in locations where the Black Sea Fleet is based, including Black Sea Fleet enterprises and organizations," nor does the decision carry legal weight, because the division of the fleet at the current stage is now under the remit of both countries' executive authorities. In particular, the second stage of transferring Black Sea Fleet facilities and infrastructure to the Ukrainian Navy is to begin in the near future.

The problem now comprises the fundamental differences on the fleet's division between the Russian and Ukrainian defense ministries, one of the leaders of the Ukrainian Defense Ministry told UNIAR. According to him, the Ukrainian side is insisting on the transfer of Black Sea Fleet facilities and infrastructure in Sevastopol to the Ukrainian Navy. "The functioning of the Ukrainian Navy will depend on whether Sevastopol belongs to Ukraine or not," a Defense Ministry representative said. According to him, this issue also arose at the recent talks between Ukrainian and Russian Defense Ministry working groups in Moscow. The participants of the talks decided to prepare their countries' proposals and demands with regard to the right to own fleet property and infrastructure in Sevastopol. Ukrainian and Russian Defense Ministers Valeriy Shmarov and Pavel Grachev are to examine the corresponding documents at their meeting in the Transcarpathian Military District in the near future. The date of the visit to Ukraine by the Russian defense minister has not been set yet.

Representatives of the two countries' defense ministries agreed in Moscow on the future use of Ukrainian ranges and runways by the Russian armed forces, on the fulfilment of Russian Defense Ministry orders on completion of construction or repair of Russian ships and docks by the Ukrainian side. In response the Russian side will provide fuel and lubricants to the Ukrainian Navy. The meeting in Moscow also discussed military-scientific cooperation between Ukraine and Russia, joint training of military personnel in special training establishments in both countries and so on. In the opinion of the Ukrainian Defense Ministry's leadership, such cooperation will make it possible for Ukraine to develop its own armed forces, while the state's shipbuilding industry will be able to make steady profits.

Ukraine: Marchuk Visits Chernobyl AES Prior to 'Reorganization'

AU0503210596 Kiev HOLOS UKRAYINY in Ukrainian 2 Mar 96 p 1

[Unattributed report: "Concern for the 'Three Whales' of the Atomic Ocean"]

[FBIS Translated Text] On Friday [1 March], Ukraine's Prime Minister Yevhen Marchuk made a working trip to the Chernobyl Atomic Electric Power Plant [AES]. He familiarized himself with the plant's operation, held a conference, at which all directors of Ukraine's atomic plants participated, and visited Slavutych, a town of power engineers, where he could see the conditions in which workers of the plant live.

As an INTERFAX-UKRAYINA Agency correspondent was informed by Anatoliy Murakhovskyy, head of the Press Service of Ukraine's Cabinet of Ministers, the prime minister's trip had three tasks in mind — to study prospects for reorganizing the atomic power engineering, the state of safety of the AES operation, and also social problems of the Chernobyl AES personnel.

At Ye. Marchuk's meeting with the heads of all of Ukraine's atomic plants on 23 February in Kiev, it was decided to send to the government, during the first ten days of March, all the necessary documents pertaining to ways of reorganizing the branch.

Speaking about the situation with regard to payments for the electricity produced by the Zaporizhzhya AES, its director said that the consumers owe the plant $200 million and that its debt for fuel deliveries is $160 million.

At the meeting with the prime minister on 23 February, the directors of the five AES's spoke in favor of granting atomic electric power plants more independence in resolving economic problems.

Ukraine: Prospects for Implementing Space Launch Program Viewed

AU0503183396 Kiev URYADOVYY KURYER in Ukrainian 2 Feb 96 p 3

[Report by Andriy Chyrva: "Missiles on the Commercial Orbit"]

[FBIS Translated Text] International experts believe that the signing on 21 February in Washington of the Ukrainian-U.S. accord on launching commercial artificial satellites is one of the most quintessential results of Ukrainian President Leonid Kuchma's trip to the United States. Thus, the preliminary accords,

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reached in Vienna in December 1995, became valid. In accordance with them, our country got the right to carry out, by the year 2001, 20 launches with the help of Ukraine's world-renowned missile launch vehicles "Zenit." Taking into account the participation of such members of the world space club as China and Russia in this process, they have the right to carry out, respectively, 20 and 8 launches.

Volodymyr Horbulin, secretary of the National Security Council, subordinated to the Ukrainian president, said to journalists that the accord practically opens up the door for Ukraine to commercial space. He considers this to be our great victory, because the high technologies that we have kept intact may be used in space apparatuses and missile launch vehicles and may work for the whole world. The main point in the accord is the possibility of commercial launches of our "Zenits" and "Tsyklons," and it is also recognition by the Americans of the reliability of our missiles and of our production potential.

As Valeriy Komarov, first deputy general director of Ukraine's National Space Agency, believes, apart from the fact of pure prestige, there are considerable financial advantages and also quite good prospects for further implementation of the scientific and technological program "Zenit." The missile, which is already referred to in the world as space vehicle of the third millennium, has only been in existence for ten years, but its further fate is associated with the quantity of load it may carry. According to V. Komarov, it is economically expedient to manufacture between six and eight rather than one or two missiles a year. It is only in this way that we will not only be able to create new "Zenit" versions and constantly improve the missile to maintain its competitiveness, but also preserve jobs for scientists, designers, engineers, and workers in our space industry.

Some experts are convinced that such favors by the United States with regard to Ukraine are due to the fact that American politicians and business circles want, in this way, to give us economic support, so that, in accordance with tentative estimates, Ukraine will be able to earn up to $100 million a year on launching commercial artificial satellites. Even if this is true, we should not forget that our pragmatic overseas partners see quite a number of advantages in using "Zenits." First and foremost, operational ones. Our space vehicle launchers are most advanced among their world analogues. Mainly by the short-term preparation for launches and by the automated launching proper. Apart from this, ecological aspects are also attractive, since the fuel components used in the "Zenit" are harmless, whereas in other launch vehicles they are highly toxic.

This opens up a possibility for Ukraine to become a serious competitor on the market of commercial launchings of space vehicles. The fact that acute struggle is in progress here can be explained by the high profits that may be obtained from such activity. For example, in 1988-93, altogether 126 commercial artificial satellites were launched (on the average, 21 a year). One can easily picture the costs and profits this involves.

Thus, as Valeriy Komarov thinks, to become an equal member of the elite space club, Ukraine must concentrate on launching, that is to speak, on designing and manufacturing space launch vehicles. Quite good prospects open up for their use in implementing the project of a floating space vehicle launching site — the so-called "Sea Launch." Ukraine's National Space Agency is ready to provide every support for those Ukrainian businessmen, who will invest in the project. Four countries plan to implement the project: The United States, Ukraine, Russia, and Norway.

There has recently been much talk around the Ukrainian-U.S. relations in the space sphere. Not without ground, since according to Valeriy Komarov, the sides are mutually interested. The National Space Agency presently coordinates several projects (for example, in welding and biological spheres), whose implementation promises the two countries considerable scientific, technological, and financial advantages. However, this cooperation gives rise to a peculiar reaction among some people. They claim that, in this manner, Ukraine is turning its back upon its main partner — Russia. Valeriy Komarov referred to these assumptions as incorrect and economically unprofitable. We should not forget, reminded first deputy director of the National Space Agency, that those same "Zenits" are manufactured in extensive cooperation with Russia. For example, engines for the launch vehicles are manufactured by the "Energiya" Scientific-Production Association. It is a different matter that relations with Russia in studying and using space are becoming purely commercial, but this is perfectly normal. This is how things should be between civilized countries.

The National Space Agency's position, Valeriy Komarov said, is such that Ukraine must agree to establishing contacts with all those willing to cooperate. We cannot afford behaving illogically, when all countries strive for integration and winning over of the market of space technologies. It is unwise to try ambitiously finding out with whom it is better to maintain relations. With those who may be of advantage, and almost any cooperation in space studies is advantageous.

The Washington accord also has some propagandistic coloring. At all international levels, our statesmen are

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trying to prove that Ukraine has a considerable scientific and technological potential and science-intensive technologies. The "Zenit" missiles are a convincing confirmation of this.

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Belarus

Belarus: Further on Lukashenka 4 Mar News Conference

WS0603091196 Minsk BELAPAN in English 0805 GMT 6 Mar 96

[FBIS Transcribed Text] The socio-political situation in the country can be regarded as stable with some reservations, President Alyaksandr Lukashenka said during his news conference on March 4. According to him, some political leaders are still making attempts to influence the socio-political situation, profiting by the difficulties that the Belarusian economy is experiencing at the present time. The President stressed that he meant the attempts to influence, not to destabilize, the situation because the scale of these attempts is highly restricted. The sources of such attempts, according to the President, are well-known — "certain deputies to the Supreme Soviet, the Constitutional Court, parties, trade unions and certain politicians." In this respect, the Chief of State announced that he did not intend to be involved in any conflicts, but was going to show the nation who is who in an absolutely democratic and civilized manner.

A concept of Belarusian foreign policy, which was formulated by the Ministry of Foreign Affairs and the Cabinet of Ministers, has been submitted to the President. Speaking about it during the March 4 news conference, Alyaksandr Lukashenka said that the concept was based on the foreign-policy experience of the young Belarusian state. Proceeding from this experience, the Belarusian leadership drew the conclusion, which was stipulated in the concept, that the foreign policy of Belarus may not be disbalanced. "We must not allow ourselves to have a list towards either the West or the East," Mr Lukashenka said. According to the President, his numerous political and economic contacts both in the West and in the East are an illustration that Belarusian foreign policy is well-balanced. At the same time this policy has some priorities. Mr Lukashenka said in this concept priority was given to relationships between Belarus and Russia and other republics of the former Soviet Union.

President Alyaksandr Lukashenka told reporters about the way in which the nationalization of a number of commercial banks would be carried out. According to him, "the reinforcement of state influence in the system of commercial banks will be carried out in a civilized manner by the indexation of the state's share in their authorized funds". The President said that a relevant program was being drawn up, and that this intention had been approved by the International Monetary Fund. Mr Lukashenka assured those present that "virtually all commercial banks which have shares of the state and state-controlled enterprises in their authorized funds have agreed with such an action of the state leadership."

The Belarusian government intends to devote particular attention to four large industrial enterprises - the Minsk Motor and Tractor Factories and the production amalgamations 'Integral' and 'Haryzont', President Alyaksandr Lukashenka said. According to him, "specific decisions will be made by him and the government as regards these economic entitites" in order to contribute to their financial recovery. For instance, Mr Lukashenka holds that now there is every reason to comply with the 'Intehral' production amalgamation's request for releasing its 1996 exported products in excess of the indicators of 1995 from taxation. The managers of the Minsk Motor and Tractor Factories also ask the government to exempt them from one or another tax, expecting that they will succeed in lifting their enterprises out of crisis levels during a certain period of time. The President holds that their requests should also be complied with, otherwise the government should not expect to collect due sums in taxes from these enterprises all the same.

"Specific forms of organizational interaction between Russia and Belarus will be determined in the near future," President Alyaksandr Lukashenka said on March 4. According to the instructions the Presidents have given to the governments, proposals should be presented within a month on the possible kinds of joint organs of state government which were specified by the Presidents in their Joint Declaration dated from February 27. According to the Belarusian President, at the present time two kinds of such organs are under consideration. According to one of them, joint organs of state government may represent "interstate bodies with rather strong authority for the real coordination of efforts by the two states with respect to quite a number of vitally important spheres". In Mr Lukashenka's opinion, such bodies should assume authority for control functions. In particular they should be given the right to control the implementation of decisions. According to the second version, the joint bodies may take the form of certain supranational organizations. This envisages not only a closer union between Belarus and Russia, Mr Lukashenka said, but also a certain specificity in relations between these organizations and the supreme organs of power in the two countries. However this version, according to Mr Lukashenka, "is a matter of the future".

"The agreement between the Republic of Belarus and the Russian Federation on the settlement of financial claims is not a gift of the Russian state to the fraternal Belarusian people," President Alyaksandr Lukashenka said. According to him, the Russian debt to Belarus is approximately equal to Belarus' debt to Russia. But it is more difficult to calculate it. The President said that the

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Belarusian debt's main components - debts for Russian energy carriers and indebtedness on Russian state loans - represent specific figures easily lending themselves to calculation. As for the debt of Russia to Belarus, it consisted of not only debts for "a certain transit", the maintenance of Russian military bases, servicemen and strategic weapons on the territory of Belarus, but also Russia's unpaid benefit which can be singled out in a number of items, including geostrategical ones. For instance the President mentioned the Belarusian army, the fighting capacity of which is kept on a rather high level, and "which covers the interests of Russia in the western direction", and the Belarusian western border, which is simultaneously a border of the Russian Federation, but maintained exclusively at the expense of the Belarusian government. In addition, according to the President, one should not disregard the retired military servicemen of the former Armed Forces of the Soviet Union (there are around 120,000 of them in Belarus). "All this in the aggregate costs a lot," Alyaksandr Lukashenka assured reporters.

Discontented with the fact that the chairman of the Constitutional Court, Valeryy Tsikhinya, permits himself "to hold forth on the theme of the President's impeachment", Alyaksandr Lukashenka said that "this man is not worth the attention which has recently been given to him by the state leadership and the Belarusian media". In general Mr Lukashenka holds that the Constitutional Court in its present composition does not deserve to be a subject for opposition between the President and any state bodies.

Alyaksandr Lukashenka considers it normal that integration tendencies have begun to make themselves felt in the policy of Russian officials on the eve of Presidential elections in this country. "The fact that during the election campaign many candidates for the presidency lay special stress on integration is only an indication of the high topicality of this matter," the Belarusian President said. At the same time the President is "worrying and fretting" about the destiny of the agreements that were reached during his official visit to Moscow with the present master of the Kremlin and one of the candidates for the Russian presidency, Boris Yeltsin. It will recalled that the first wave of integration was observed in Russia and Belarus during of the Presidential election campaign in Belarus in 1994. After those elections were completed, the idea of forming a monetary union was immediately forgotten. Alyaksandr Lukashenka, who has the referendum of May 14 1995 and the support of a considerable part of the Belarusian people on his credit side, now stakes on the fact that the Belarusian leadership's policy is familiar to the population of the Russian Federation, and that the Moscow agreements have reached "common people, governors and the presidential 'vertical' in Russia". That is why Alyaksandr Lukashenka hopes that the integration processes occurring between the two countries are irreversible.

Belarus: Lukashenka Seeks Cooperation With FRY

LD0503230596 Belgrade TANJUG in English 2247 GMT 5 Mar 96

[FBIS Transcribed Text] Belgrade, March 5 (TANJUG) — Belarus President Alyaksandr Lukashenka said on Tuesday that the world community's attitude to the Yugoslav situation had been determined by the power-brokers of the world today.

Speaking for Belgrade's BK Telekom Radio and Television station on the eve of Yugoslav President Zoran Lilic's official visit to Belarus, Lukashenka said that, unfortunately, the world community had not had been strong enough to oppose the United States and NATO.

Lukashenka said that, therefore, he could not speak of a principled policy and position of the international community and its consistency in the treatment of the crisis in former Yugoslavia.

He said he was sure that President Lilic's visit to Minsk, which begins on Wednesday [6 March], would help strengthen cooperation between the two countries, and stressed that Belarus was proud that it had not supported the United Nations' sanctions against Yugoslavia.

Belarus cooperated with Yugoslavia then, and will continue to do so now, Lukashenka said and added that the Federal Republic of Yugoslavia (federation of Serbia and Montenegro) could fully rely on Belarus and its support.

He described the international situation as totally chaotic, with the leading powers trying to bind to their will weakened states, primarily in Eastern Europe and the former Soviet Union.

Lukashenka said he had told an international conference of orthodox Christian nations that they would find it hard unless they United, and that Yugoslavia was proof of this.

Belarus: Proposed Cargo Corridor May Spoil Relations With Neighbors

WS0503153296 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 29 Feb 96 p 2

[Article by Yuras Karmanaw: "He Received an Order To Go to the West"]

[FBIS Translated Text] **A declaration by Boris Yeltsin about the need to give Belarus access to the ports**

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of Kaliningrad Oblast, made during Alyaksandr Lukashenka's visit to Russia, may radically change the arrangement of forces on the northwestern borders of Belarus. The Russian president declared that the Kremlin will promote construction of transportation roads to Kaliningrad Oblast across Poland. In practice, this could significantly chill relations of Belarus with Lithuania and Latvia, the countries that such a transportation infrastructure will bypass.

Minsk has long been entertaining plans to reorient its exports routes from Lithuanian and Latvian ports toward the ports in Kaliningrad Oblast. According to our information, an unofficial part of the recent visit by Lithuanian Foreign Minister Povilas Gylys to Minsk was devoted to averting such a scenario.

Until recently, the Belarusian Government has been quite reserved toward the frequently voiced proposals by Kaliningrad Oblast to expand the cooperation which urged creation of a Belarusian steam-boat company in the oblast's ports. Kaliningrad offered the Belarusian Government to coordinate actions aimed at establishing joint stevedore companies, and so on. Skepticism of the Belarusian authorities could be explained by the fact that Kaliningrad could not offer better conditions than the Baltic states.

The situation started to change rapidly after one of the Russian-Belarusian integration spirals. Yuriy Matochkin, Kaliningrad Oblast Administration head, is scheduled to pay a visit to Minsk on 4 March, during which he will press for increasing the flow of Belarusian payloads through Kaliningrad ports. Recently, the Belarusian president received from Mr. Matochkin a letter suggesting construction of the automobile and railroad corridor running from Belarus to Kaliningrad across Poland. To attract the attention of potential Belarusian partners to these plans, Mr. Matochkin promised to give Minsk priority over other partners in using commercial boats from the oblast, ensuring preferential procedures for handling Belarusian export and import cargoes, and so on.

Alyaksandr Lukashenka displayed a lot of interest in an accelerated cooperation with Kaliningrad ports. After he received Matochkin's letter, he instructed the Transportation Ministry to draft a trilateral cooperation agreement between Russia's Kaliningrad Oblast, Belarus, and Poland on building a highway and railroad connecting Gusyev (Kaliningrad Oblast), Poland, and Hrodna (Belarus).

That the agreement was supposed to be secret can be proven by the fact that the Transportation Ministry at first confirmed the existence of this document to our correspondent, but later, on the eve of the president's visit to Moscow, it flatly refused to provide any information. All attempts to learn something about sources of financing of such an expensive undertaking as the construction of a new transportation corridor brought no results.

Poland's reaction to this project is quite predictable. It has already been said that if the construction begins, the Kremlin will seek a special status for the corridor. This means that if the Poles accepted the idea, they would thus give Moscow a trump card which the Kremlin could use to blackmail Warsaw as it moves toward membership in NATO. For example, it will be said that stationing of NATO troops near the strategically important transportation route threatens Russian security. Besides, Poland has no economic interest in having in the Baltic Sea a strong competitor for its ports in Gdansk and Gdynia.

Russia's frequent attempts, made since 1992, to elevate the commercial significance of the former military Kaliningrad port were inevitably opposed by Warsaw, which understands Kaliningrad represents no threat without a developed transportation system. And the official reason to reject participation in the project will probably be the fact that the transportation corridor will run counter to Poland's plan to establish on the border with Russia, Belarus, and Lithuania an ecologically clean nonindustrial Euroregion, "The Green Lungs of Europe."

Commenting on the possibility to redirect Belarusian cargo from the Baltic ports to Kaliningrad Oblast, Petr Kravchanka, head of the legislative Commission for Foreign Affairs, stated: "Those projects may be economically beneficial. But are all the benefits worth worsening relations with Lithuania? Besides, their implementation will prove a difficult task. For example, there are a great deal of cities whose ports were proposed for creating the Belarusian fleet. But due to the lack of money, everything remained on paper."

Projecting the above statement to the present situation, one can draw the following conclusion: Pursuing ambitious plans to strengthen the geopolitical significance of Kaliningrad, Russia is taking advantage of Belarus, forcing it to spoil relations with its neighbors.

Belarus: Premier, PRC Deputy Foreign Minister Discuss Cooperation

LD0103183196 Minsk Radio Minsk Network in Belarusian 1700 GMT 1 Mar 96

[FBIS Translated Text] Prime Minister Mikhail Chyhir met with a delegation from the Ministry of Foreign Affairs of the Chinese People's Republic. They

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discussed further strengthening economic and political cooperation between Belarus and China. The delegation is headed by Vice-Minister Zhang Deguang [as received]. [words indistinct] Mikhail Chyhir noted that a basis for further strengthening cooperation has already been created. What is more, the (?fruits) of that cooperation are already apparent in Belarusian-Chinese trade turnover, which has recently increased considerably.

According to Chinese diplomat, the talks achieved full mutual understanding, both in appraisal of the current state of Belarusian-Chinese relations, and in discussing their further prospects.

Uladzimir Syanko, Belarusian foreign minister will visit China as early as April.

Belarus: Lukashenka Signs Decree on Establishing Joint-Stock Bank

WS0503113396 Minsk BELAPAN in English 0729 GMT 5 Mar 96

[FBIS Transcribed Text] According to information received, during his trip to the Tyumen region of Russia Belarusian President Alyaksandr Lukashenka signed a decree on the establishment of a Belarusian-Russian joint-stock bank, 'Slavneftbank'. On the Belarusian part the bank was founded by around 20 enterprises of the 'Belnaftapradukt' concern, including the concern itself, the production amalgamations 'Naftan', 'Belarusneft', 'Minskawtazaprawka', the Mozyr oil refinery, the Navapolatsk and Homel oil transportation enterprises 'Druzhba' among others. The authorized fund of the bank amounts to ECU5 million. The control stocks - 51 percent - belong to the Belarusian party. 'Slavneftbank' is expected to be used for crediting the reconstruction and updating of the Mozyr oil refinery. Around $300 million are required for this purpose.

Moldova

Moldova: Withdrawal of Russian Military Equipment Continues

AU0503140496 Chisinau BASAPRESS in English 1930 GMT 4 Mar 96

[FBIS Transcribed Text] Tiraspol 04/03/1996 (BASA-press) — Two trains carrying military engineering equipment will be evacuated to Russia tomorrow, BASA-press learned from Colonel Aleksandr Baranov, deputy commander of the Dniester-based Russian mobile troops.

The withdrawal of equipment, which did not belong to the former Russian 14th Army, was suspended a month ago after Moldovan officials' refusal to allow the shipment of the equipment.

Chisinau demanded that the Russian troops command send first the equipment earmarked to Moldova by the Moldovan-Russian agreements to the regions controlled by Moldovan authorities.

The Russian troops command retorted that "the equipment transportation is the beneficiary's problem." Dniester authorities opposed the transportation of the military and engineering equipment to Moldova. Baranov told BASA-press that Chisinau officials allowed to resume the evacuation, but did not specify whether Moldova's demand was met.

A Moldovan senior government official told BASA-press that Chisinau agreed to the evacuation of two more trains of equipment to Russia on condition that the Russian side ensures the transfer of Moldova's share of equipment in the near future.

As yet, only four of the 21 projected trains have been evacuated to Russia.

Moldova: Military Court Begins Legal Proceedings Against Grachev

AU0503133396 Chisinau INFOTAG in English 1930 GMT 4 Mar 96

[FBIS Transcribed Text] Tiraspol, March 4 (INFOTAG) — The military court in the Dniester-deployed Russian Army contingent has initialed criminal proceedings against General of the Army Pavel Grachev, Russian defence minister — for his predetermined evasion from fulfillment of the court decision.

In February, the court has recognized as juridically null and void Grachev's order to dismiss Colonel Mikhail Bergman, Tiraspol Garrison commandant, and several more officers from their posts. The court has stated that the minister's plenipotentiary representative at the trial, Colonel Nikolay Angelov, had all opportunities to bring the court's decision to the knowledge of Pavel Grachev. Hence, the minister just disobeys, and the court has notified the chief military prosecutor general of the Russian Federation on the new case initialing — this time against the Minister of Defence.

OGONYEK, an influential Moscow weekly magazine, writes in its latest issue that the Court Chairman Colonel Nikolay Tumanov confessed to journalists that both the Ministry of Defence and the headquarters of the Russian contingent in Dniester were exercising pressure on him during the court hearings, and hinted that "Bergman could not win the case".

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Moldova: Situation of Dniester Ukrainians Examined

AU0503153696 Kiev HOLOS UKRAYINY in Ukrainian 22 Feb 96 p 5

[Report by Anatoliy Martsynovskyy: "'Mother' Ukraine Has Abandoned Dniester Ukrainians...."]

[FBIS Translated Text] They bitterly resent being referred to as the diaspora. There are quite a number of Ukrainians in the Dniester Region — 300,000, almost one-third of the population of the so-called Moldovan Dniester Republic, which has not been recognized by anybody.

The Dniester Region is presently going through misery and total lack of knowledge about what the future has in store. It only seems to us that things cannot be worse than they already are. In the Moldovan Dniester Republic, production has ceased and those who are still employed get $5 or $6 a month. The stores are empty and prices at the market and in commercial stores are even higher than ours. However, the first question that the Ukrainians asked members of Ukraine's Foreign Ministry delegation in Tiraspol was: "What was the reaction in Ukraine to the fact that the Moldovan Ministry of Communication issued a series of postal stamps 'Moldovan Fortresses' that also included the Khotyn and Bilhorod-Dnistrovska fortresses?" "Mother" Ukraine, they say, is being insulted, and you keep silent there....

The "mother" has long been silent. It only issued unconvincing statements when war was in progress in the Dniester Region. Nor does it show any interest for the Dniester Ukrainians now. If somebody does show interest, it is customs officials: They are trying to impose as much taxes upon Dniester Ukrainians as they can.... "One can travel through much of Europe, but get stuck in Timkovo" — this is what is said in Ribnita about the Timkovo Customs House, through which it is even difficult to pass with Ukrainian textbooks.

Ukrainian schools in the Dniester Region were closed down back in the times of the Moldavian SSR in the 1960's. Ukrainians presently attend Russian schools, where they study their native language as one of the subjects. Last year, the Ukrainian community managed to open one Ukrainian school in Ribnita, but even though there are enough children willing to study there, there are not enough textbooks or teachers.

At the chair of Ukrainian philology of Tiraspol University, there is not a single candidate of sciences. "Mother" Ukraine does not want to teach Dniester Ukrainians at its institutions of higher learning. Nor does it show desire to help them study at home.

Where are then our numerous glorious funds, unions, or congresses? Where are our businessmen and patrons, who take so much pride in telling on the television about their generosity? Where is, finally, the Ukrainian Government with its state program "The Ukrainian Diaspora"? Or, perhaps, Canadian Ukrainians, who have many dollars, are more attractive for Ukrainian officials? This seems to be the case, because our statesmen and politicians much more frequently visit Canada and the United States, which are so far away, than the Dniester Region, which is just five kilometers away from the border. One can even say more specifically: They go overseas, but not here.

The political situation is perfectly well understood in the Dniester Region. The people there realize that Ukraine cannot recognize the republic and that Ukraine has certain international commitments and supports Moldovan integrity. However, why does the "mother" so openly avoid its children — they fail to understand this. "We are yours, whether you like it or not, and you just cannot turn your back upon us," we were told in Ribnita. "We are your children, Ukraine!" — this is the motto of the Ukrainian-language Dniester paper HOMIN [Uproar].

One can hardly expect support in the Dniester Region for the Ukrainian language and culture by the Dniester Government — it is mainly oriented toward Russia. Even though the Ukrainian language is presently a state one, alongside Moldovan and Russian, the latter is mainly used there, and the situation is approximately the same as it was in the former USSR.

What do the Dniester Ukrainians ask Ukraine to do for them? First of all, citizenship, and some of them do get it — those who were born in Ukraine and do not have Moldovan citizenship. The problem, however, is that Chisinau does not give such certificates to Dniester residents, and Ukraine demands that they be produced. Studies at Ukrainian institutions of higher learning and advanced courses for physicians and teachers also present a great problem. There is no money for opening Ukrainian schools, high schools, or kindergartens. As already mentioned, there are no Ukrainian textbooks, books for reading, or Ukrainian periodicals. Even though Moldova recently started to relay Ukrainian Television programs, on a daily basis in the first half of the day, instead of the Russian Television [ORT]: The Russians have given up this part of the time on air, and Ukraine paid for six months in advance.

Germany is helping ethnic Germans throughout the territory of the former USSR and Turkey is helping Crimean Tatars. Of course, Ukraine cannot compare to

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those rich countries, but so much less is demanded from it.

Moldova: Snegur Denounces Corruption Among Government Officials

AU0603110696 Chisinau INFOTAG in English 2030 GMT 5 Mar 96

[FBIS Transcribed Text] Chisinau, March 5 (INFOTAG) — On Tuesday [5 March], the Parliament continued discussing the fulfillment of the anti-corruption legislation. However, adoption of a resolution was postponed till Wednesday.

During the hot debates, which were broadcast live by the national radio, the floor was given to all the four parliamentary factions, as well as President Mircea Snegur and Speaker Petru Lucinschi.

All speakers underlined the danger of corruption, admitted its presence in the republic, offered various interpretations of the phenomenon, and ways to fight it. Thus, Deputy Alexander Muravschi (Democratic Agrarian Party of Moldova — PDAM) attracted attention to such problems leading to corruption as redistribution of property, uncertainty of relations between the authorities and business circles, law negligence, mass-scale state staff reshuffling, bureaucracy, and imperfect legislation.

Two opposition factions have stated that the forum's would-be resolution is called to smoke-screen the parliamentary majority's reluctance to oppose the corruption. Its chief hotbed is in top state power structures, the opposition announced.

Summarizing the results of the two-day long debates, Parliament Chairman Petru Lucinschi has pointed out that the forum cannot feel satisfied with the debate results. He indicated several reasons of corruption in Moldova, with one of them being the fact that criminal structures are better equipped and trained than law-enforcement bodies.

In his opinion, there exist two ways — either to leave everything as it is and let the society get drowned in the corruption, or begin an irreconcilable struggle with this evil.

As a result of corruption problem debates in Parliament, several top officials should have already filed their resignation, President Snegur stated in Parliament today. In particular, he mentioned the director general of MoldovaPharm [pharmaceutical company]. If he does not do so, said the president, then we should trace the involvement of the minister of health to the abuses revealed at the prominent enterprise. Snegur demanded that the prime minister undertake concrete measures for this concrete case.

"The country is being plundered. Meanwhile, a clownery is being unleashed concerning the absence of the term 'corruption' definition in the legislation," Snegur stressed.

The phenomenon of corruption is related primarily to state structures and activities. The state apparatus should be simplified, its permissive and prohibitive functions reduced, and the administrative-territorial setup altered through merging small districts with their state apparatuses into larger administrative units, the President said.

Another problem lies in the inefficiency of the already existing state organs, he indicated, and criticized the governmental Foreign Economic Commission headed by Deputy Prime Minister Ion Gutu. Mircea Snegur referred to concrete instances when the commission violated its own bans on exports, and issued licenses — e.g. for exports of sunflower seeds and non-ferrous metals. "Don't think that we are unaware of your deeds!," the president said.

He also presented the instances of "dubious transactions" by the ministry of defense, and criticized Minister Pavel Creanga. He said, "radical changes" are also necessary in the ministry of national security, and that "its leadership staff needs to be strengthened."

One more instance of corruption is the activities of Evropa Trust. Having purchased various enterprises for national patrimonial bonds, the company then pledged them to Banca de Economii [Savings Bank] for a loan, and failed to repay it. As a result, all these enterprises are in the bank's ownership now. The president showed an utter indignation that Parliament still fails to analyze the situation around the savings bank. Its third issue of shares — which resulted in the controlling package of shares having moved to a group of private companies — would have been just impossible had Parliament not delayed sending the Banking Law for signing to the head of state. "Is there really no connection between the record-breaking five-month long 'editing' the law in various parliamentary committees and the notorious third issue?," the president questioned.

"I realize my address may be again disliked by many. However, I am not going to yield. Just think well and draw your conclusions," he said.

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Kyrgyzstan

Kyrgyzstan: Bishkek Favors Closer Economic Integration With Russia

LD0503162496 Moscow INTERFAX in English 1414 GMT 5 Mar 96

[FBIS Transcribed Text] BISHKEK, March 5 (INTERFAX) — Kyrgyz Prime Minister Apas Dzhumagulov is in favor of closer economic integration with Russia. Kyrgyzstan "will lose much not only economically, but also culturally and intellectually, without cooperation with Moscow," he told Interfax on Tuesday.

According to him, Kyrgyzstan "sets great hopes on" the possibility of joining the customs union involving Russia.

During their recent meetings Russian Prime Minister Viktor Chernomyrdin supported Kyrgyzstan's wish that Russia would liberalize its customs legislation, Jumagulov pointed out.

Besides, he said, Kyrgyzstan has a "very serious" interest in cooperating with the CIS countries; it even formed a special ministry for this purpose. At the same time he said that in the four years that have passed since the CIS was formed, many agreements "failed to work." The state of affairs in this area should be "greatly improved," Dzhumagulov said.

Kyrgyzstan: Akayev Committed to Policy of Reforms

LD0103190496 Moscow INTERFAX in English 1740 GMT 1 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [place and date not given] (INTERFAX) — President Askar Akayev in an annual address to parliament on Friday outlined the main guidelines of the country's social and economic development in 1996 and set the tasks facing the government.

From the very start, Akayev pledged no rollback of reforms saying he would use the new powers gained after the referendum on February 10 speed up the reforms and heighten government efficiency. He spoke of being determined to enforce his policy.

Akayev stated the weakness of government authority and lack of coordinated effort by all branches of government in meeting the tasks in hand. Because of this, he said, "the interests of the state were often pushed into the background."

He promised to take a series of measures aimed at furthering democracy, implementing economic reforms and improving government leverage on the ongoing processes.

Akayev next dwelt upon the main guidelines of the country's economic development as an overriding priority. He said GDP [gross domestic product] fell three times slower in 1995 than in the previous year and monthly inflation ran at 2.4 percent, half of what it was in 1994.

These indicators, he said, was evidence of the critical trends being on the retreat and those of macroeconomic stabilization gaining in strength. Nonetheless, there has been no positive shift in the economy and the industry on the microeconomic level. "The industry is in a disastrous state. It is unable to wrench itself free from negative factors such as uncompetitiveness, the loss of a large part of traditional export markets and limited financial and material resources," the president said. All of this brought one in five plants at a standstill last year, he said.

Akayev spoke of continued payment crisis, with payables and receivables running at 4 billion soms and 4.1 billion soms by early this year. He said there was 541 million soms worth of dead stock piling up at stores. " A disastrous situation has emerged, and it can paralyze the whole of the industry, destroy the country's finances and bring to nought the hard- won macroeconomic stabilization," stressed the president.

But he does not believe the problem to be fatal. "Overall, Kyrgyzstan is among leading countries with a transient economy in the pace and depth of market reforms," Akayev said.

But he accused the government of failing to take effective measures to cope with the emerging situation saying the ministries and departments were far behind realities of the day and the reforms both in structure and style of work. He said they often went into trifles instead of focusing on key problems as did the government at times.

The president set the task of a marked industrial growth, a three-four percent rise in GDP and bringing inflation down to 15 percent this year from 32 percent in 1995.

One other goal is to press ahead with talks on the country's entry into the World Trade Organization, first as an observer and later as a full member.

Akayev said Kyrgyzstan's planned entry into the CIS customs union of Russia, Kazakhstan and Belarus would be to the benefit of the country.

He spoke of conditions being set for a five percent growth in the mining and steel industry this year.

He called for working out a new government strategy in the energy sector to help towards the country's energy

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self-reliance. The existing hydroelectric stations can help produce 12.5 billion kWt of energy this year and an additional 900 million kWt after two other hydros started running at full capacity.

The president said all of the country would shift to electricity by the year 2,000 as part of the government's energy program.

On the light industry, he said it was allowed to slump more than any other sector, but the president is confident the sector is capable of picking up at the cost of its own raw materials. He held out promises of granting $11 million from the Japanese-provided credit to update the light industry. Akayev called for a breakthrough in the sector to return it to its rightful place of a leading industry. "Unlike the engineering sector, it is much easier to resolve the problem of raw materials and marketing in this sector," he said.

Akayev called for recovery of the military-industrial complex saying it must start production in 1996.

On the farming sector, he accused the agriculture ministry of delaying the agrarian reform. As a result, the new class of farm producers will be unable to get government support while "credits are being allowed to circulate in different structures," Akayev said. He criticized local government officials for failing to arrange faster repayment of loans extended for the promotion of private farming.

Akayev promised all round support for agriculture saying he would extend to the sector a $10 million loan from the Japanese credit and a further $15 million of the Asian Development Bank's credit. But he set the target of 1,3 million tonnes of grain yields in 1996 including 800,000 food grain and increase farm output by five percent.

The president said support for small business which contributed a mere two percent to the country's GDP in 1995 must be of the government's specific concern.

On foreign investment, Akayev said this would make up 70 percent of all government borrowings in the next few years. But he warned about the need for a well-thought credit policy and rational use of the available loans.

The president said luring direct foreign investment must become the main priority of the government economic policy. He said it would be hard to count on speedy industrial growth without this. He also proposed not to delay the question of a possible transfer of idle state businesses into external trust or leasing.

Akayev said the government's monetary policy had helped curb inflation and stabilize the national currency. But he is not happy over the pace of banking reform. The president said the commercial banks were unstable and called for reorganizing the entire banking system.

Akayev lays hopes on the new tax legislation which, if approved, can help make the taxation system more flexible, provide greater economic incentives and increase tax revenues.

On the budget policy, Akayev stressed the need to maintain its social thrust, with 55 percent of expenditure being used to meet social needs. "Kyrgyzstan is among CIS leaders in this indicator," he said.

The president called for narrowing the budget deficit down to six percent of GDP from last year's 11 percent and floating government securities to cover at least half of the deficit.

He believes clearing government arrears in back wages, pensions and other social benefits to be among this year's main priorities.

On personnel policy, Akayev said he would issue a decree soon to enhance a government role and responsibility on all level. He announced plans to set up a special department for forming a pool of new generation managers.

On policing, the president called for the distribution of ways and means among two main tasks: war on crime by police squads and the enforcement of law and order by local police and the public.

He said everything must be done for pay increases and better equipment to the police force. Akayev said legislation must be worked out to fight against crime.

On the diplomatic front, the president said the country must take advantage of the benefits coming from international cooperation to consolidate Kyrgyzstan's independence and promote trade and economic links with other countries. He said closer relations with other CIS states was of specific importance.

Akayev pointed to a vital role played by the Asian Pacific region now turning into the most dynamically-developing part of the world. "We must lay the groundwork for business and cultural cooperation with that promising region," he said.

In conclusion, the president called on the assembly of people's representatives (one of the two houses of the Kyrgyz parliament — IF) to endorse Acting Prime Minister Apas Dzhumagulov fully in charge of the new cabinet.

The deputies obliged Akayev's request.

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IF Note: Dzhumagulov has been the country's prime minister since 1993. The previous government resigned on February 26 following constitutional changes approved in a nationwide referendum little over two weeks before.

Kyrgyzstan: Government To Present Economic Development Program

LD0503190596 Moscow INTERFAX in English 1702 GMT 5 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [place and date not given] (INTERFAX) Prime Minister Apas Dzhumagulov stated that the new Cabinet's main task was to radically improve the economic situation and enhance the population's living standards."

He told a press conference in Bishkek Tuesday that the government reshuffling and the reorganization of individual state committees into ministries would considerably broaden the latter's powers and enhance their leaders' responsibility and prestige.

Interfax Note: Among the reorganized ministries are the ministries for geology and mineral resources, national security, environmental protection, and tourism and sport, and among the newly-established ones are the ministry for emergency situations and civil defense and the ministry for cooperation with the CIS countries. The State Fund for Entrepreneurship has been reorganized into a fund for supporting small and medium businesses. Also, state agencies for intellectual property, for energy, for religion and for family and women's welfare have been set up.

Dzhumagulov said that the establishment of new state agencies had been prompted by the need to solve problems which had cropped up in the sphere of religion and in the sphere of women's welfare.

He announced that the State Agency for Energy will be in charge of hydro-power engineering and tackle problems pertaining to the production of coal, oil, gas and other energy resources.

The former State Agency for Foreign Relations has been removed from the cabinet and attached to the Ministry for Trade; the powers of the State Agency for the Protection of Authors' Rights have been passed over to the State Agency for Intellectual Property and the powers of the Ministry for Mineral Resources have been passed over to the Ministry for Geology and Mineral Resources.

Although the number of ministries has increased from 28 to 29, the bureaucratic apparatus will not increase, he said. On the contrary, if necessary it will be cut down, said Dzhumagulov.

He announced that the government will inform the parliament Wednesday [6 March] of the government's program for the country's economic development in 1996-97. The report will deal with the government's priorities which have to do not only with individual industrial branches but also with individual enterprises which may promote the country's economic progress.

The government is determined to take resolute measures to improve the financing of the law-enforcement bodies and to strengthen its personnel. The staff of the Ministry for National Security was increased by 60 members following the establishment of a special analytical enter.

He said at the same time, that order can be established in the country only if the senior leaders become aware of their responsibility. "We can demand good work form others only if we are honest and if our hands are clean," he said.

He told Interfax Tuesday that he favored stronger integration ties with Russia. "I don't see any other alternative," he said. "Kyrgyzstan will lose very much without cooperation with Russia not only in the economic sense, but also in the cultural and intellectual spheres," he said.

He pinned great hopes on Kyrgyzstan's membership in the Customs Union which has already united Russia, Belarus and Kazakhstan. "Kyrgyzstan will benefit a great deal from membership in the Customs Union," he said.

He welcomed Moscow's decision to liberalize the Russian customs laws. The Russian government is drafting a document which will cut down the number of taxed goods from 300 to 60, he said. He also expressed the conviction that Russia will liberalize trade with both near and far neighbors.

He said that the economy of Kyrgyzstan was more liberal than before and that its customs laws were more liberal, too.

He described as erroneous the belief that Kyrgyzstan might be rejected by international financial organizations given its forthcoming admission to the Customs Union. "We're not afraid of this," he said. He also pointed out that the decision to establish a ministry for cooperation with the CIS countries reflects Kyrgyzstan's interest in broadening relations with those countries.

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Tajikistan

Tajikistan: New Prime Minister Introduces Program to Presidium

LD0603101896 Dushanbe KHOVAR in Russian 0900 GMT 5 Mar 96

[FBIS Translated Text] Prime Minister Yahyo Azimov held his first session of the presidium of the government of the Republic of Tajikistan today, 5 March 1996. The ministers, heads of a number of ministries and departments of the Republic, and officials from the government apparatus were invited to the session.

The new prime minister opened the session and briefly introduced his program to improve the well-being of the people and to bring about the recovery of the socioeconomic life of the Republic.

My prime task, stressed the prime minister, is to enhance the budget of the Republic and repay debts. Then Y. Azimov, having analysed the sociopolitical situation in Tajikistan, set the relevant ministries specific tasks.

The president [Emomali Rahmanov] of the country and the government of the Republic, said the prime minister, have approved a number of decrees and resolutions focused on improving the life of all sections of the population, on reviving the economy, and on expanding and deepening economic cooperation with other states. However, the greater part of the decrees and resolutions are not being implemented properly, and bureaucratic red tape is impeding them.

The new prime minister said that some changes were being prepared in the structure of the government to give opportunities to implement firmly and unwaveringly the approved resolutions.

Yahyo Azimov said that operative headquarters have been set under the leadership of deputy prime ministers Oqil Oqilov, Qadriddin Ghiyosov, Kholisjon Temurjonov, Jamoliddin Mansurov, and Basgul Dodkhudoyeva.

The prime minister briefed those present on the results of the recent visit of the state delegation of the Republic to the Russian Federation. He said that cooperation with Russia and the CIS countries in various sectors is a strategic direction in the work of the Government of Tajikistan. However, the prime minister stressed, our partners made a number of criticisms, along with noting positive trends, in the course of the meetings. Many points of the agreements signed between Tajikistan and the Russian Federation are not being implemented.

The heads of Moscow and the towns of Moscow Region had many complaints in particular. When we sign an agreement on cooperation, we lay a great responsibility upon ourselves, and our duty is to implement it.

Rahimjon Ghafurov, the state advisor to the president of the country on national economic affairs, was present at the session.

Tajikistan: Defense Minister Interviewed on Situation in Tavil Dara

LD0603102096 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 5 Mar 96

[Interview with Tajik Defense Minister Sherali Khayrulloyev by unidentified correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] Sherali Khayrulloyevich, what is the situation in Tavil Dara District?

[Khayrulloyev] At present it is calm, although it has been violated by the armed opposition. They opened fire on our positions with all the various kinds of weapons at their disposal. We answered them accordingly. And this [word indistinct] is calm now.

[Correspondent] Sherali Khayrulloyevich, we know the government troops' losses, albeit not very precisely, but do you have any information on the losses of the other side?

[Khayrulloyev] Yes. According to the latest information, there were 31 corpses on their side.

[Correspondent] How do you explain this? Are they better trained?

[Khayrulloyev] This is not due to training. The fact is that they are taking the commanding heights, so it is easier for them to wage battle.

[Correspondent] What are your forecasts for the near future? You know spring is coming. To my mind, it will be more complicated in spring.

[Khayrulloyev] Don't worry. The government forces are ready for anything.

Tajikistan: Rebels Say Government Resumes Tavil Dara Shelling

LD0603111696 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 6 Mar 96

[FBIS Translated Text] Reports from Tavil Dara indicate that government forces have started shelling and firing from heavy guns on the positions of the mujaheddin. Communist government forces are reported to have shelled areas under the control of the army of the

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Islamic Movement of Tajikistan, after some days of relative quiet.

It should be mentioned that the mujaheddin groups led by commanders Mirzo Ziyo and Jumaboy are defending the areas under their control and the civilians of Tavil Dara District with particular firmness.

Experts say that if the regime steps up its new efforts in Tavil Dara, then other groups of the army of the Islamic Movement of Tajikistan may respond by launching operations in the areas of Karategin [central Tajikistan] and Kulyab [southern Tajikistan] and in the suburbs of Dushanbe. The aforementioned groups have in their hands a special order from Professor Sayed Abdullo Nuri, the commander-in-chief of the Islamic Movement of Tajikistan.

Tajikistan: Rebel Radio Comments on Russian Border Chief's Visit

LD0503130096 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 5 Mar 96

[FBIS Translated Text] Regime chief [President] Emomali Rakhmanov met and talked with Andrey Nikolayev, director of the Russian Federal Border Service, in Dushanbe yesterday. The meeting resulted in the signing of an agreement to provide financial and economic security for the Russian Border Troops.

Andrey Nikolayev demanded that Emomali Rakhmanov ask other countries of the [Central Asian] region to help provide guarantees for border defense, but the other Central Asian countries are hardly providing support for the regime.

Andrey Nikolayev, chief of the Russian Federal Border Service, said events depend on extending the ceasefire agreement between the regime and the United Tajik Opposition Forces. Andrey Nikolayev, who was ordered by the Russian president to visit Tajikistan, discussed fortifying the borders with their Dushanbe underlings.

During this visit he put forward for consideration issues relating to financial and military security, the setting up in our Republic of an office of the Russian Federal Border Service, and demanded that the countries of the region pay the agreed funds for the security, not only for the Russians, but also for the military units of Uzbekistan, Kazakhstan, and Kyrgyzstan.

The countries of the region, which have already lost all hope in Emomali Rakhmanov's regime, are reluctant to pay the agreed funds. Uzbekistan did not send a penny to the account of the border troops and the forces of the so-called peacekeepers. Kyrgyzstan and Kazakhstan sent only insignificant amounts to this account. Consequently, this sum has not reached the account for the current year, and the Border Troops of Russia and other countries are tired of shortages of food and clothing.

Units of the Central Asian countries' armed forces and border troops may remain in Tajikistan until June of this year, and then leave the Republic. The heads of Uzbekistan, Kyrgyzstan, and Kazakhstan have repeatedly said this, and they linked the presence of their forces to the results of inter-Tajik peace talks and extension of ceasefire.

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Armenia

Armenia: Parliament Speaker, Foreign Minister Meet Iran's Velayati

NC0503210996 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 5 Mar 96

[FBIS Translated Text] Babken Ararktsyan, the chairman of the Armenian National Assembly, received on 5 March Iranian Foreign Minister 'Ali Akbar Velayati, who arrived on an official visit.

Matters relating to Armenian-Iranian relations were discussed during the meeting which Armenian Foreign Minister Vahan Papazyan also attended. Satisfaction was expressed with the present state of the good-neighborly relations between the two countries. Both sides assessed the relations as being mutually advantageous and productive.

In the name of the Iranian parliament speaker, Dr. Velayati extended an official invitation to Ararktsyan to visit Iran, expressing the hope that the visit will contribute to the development of interparliamentary ties.

Gratefully accepting the invitation, Ararktsyan underlined the need to get familiar with each other's (?legislative) work.

Regional matters of interest were also discussed at the meeting and views were exchanged on the resolution of the Karabakh problem.

Hovhannes Igityan, chairman of the National Assembly's Standing Commission on Foreign Relations; National Assembly deputy Khosrov Harutyunyan; Iranian Ambassador to Armenia Hamid Reza Negar-Esfahani, and others were also present at the meeting.

Armenia: Velayati, Ararktsyan Discuss Bilateral Ties, Karabakh

LD0503205596 Tehran IRNA in English 1926 GMT 5 Mar 96

[FBIS Transcribed Text] Yerevan, March 5, IRNA — Iranian Foreign Minister 'Ali Akbar Velayati and the chairman of Armenia's Supreme Council, Babken Ararktsyan, in their meeting here today reviewed Tehran-Yerevan cooperation in the parliamentary and other fields.

Ararktsyan praising Iranian efforts to promote peace and stability in the region, noted that the two countries' relations have upgraded over the recent years. In view of the potential of the two countries, he added, bilateral ties would further expand.

Referring to the Karabakh conflict between his country and the Republic of Azerbaijan, the Armenian speaker said the existing ceasefire was in itself a step towards peace, and that more effective steps could be taken regard depending on the political will of the two adversaries.

Velayati in reply, emphasized on a fair and peaceful settlement of the Karabakh crisis, and said Armenia and Azerbaijan should direct their potentials towards reconstruction. He said that Iran for its part will continue its efforts to resolve regional differences, especially the Karabakh issue, which is wasting the two countries resources.

The Iranian foreign minister who arrived in Yerevan on today afternoon on the 8th leg of his trip of former Soviet republics, also stressed on bilateral cooperation between Iran and Armenia.

Earlier in the day, he met with the Armenian Supreme Patriarch Vazgen I and discussed the two countries' cultural ties.

Velayati's trip has so far taken him to Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, Georgia, Azerbaijan and Ukraine.

Armenia: Ter-Petrosyan Meets With Iranian Foreign Minister

LD0603122096 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 6 Mar 96

[FBIS Translated Text] At a meeting today between [Iranian] Foreign Minister 'Ali Akbar Velayati and Armenian President Levon Ter-Petrosyan in Yerevan, the just settlement and resolution of the Karabakh dispute, the liberation of occupied territories, and the return of refugees to their homes were discussed.

At the meeting, at which the two sides stressed their interest in expanding bilateral ties, as well as trilateral and regional cooperation, the Armenian president described his country's ties with the Islamic Republic of Iran as important and vital. Velayati said that ties between the two countries were to the advantage of the two nations and beneficial to the resolution of problems and mutual coexistence in the region. He added: These relations are not to the detriment of any other country; they, rather, contribute to regional peace and cooperation.

Velayati said that changing geographical borders was not in the interest of the region or international security and, while stressing the need for the return of refugees to their homeland, he said: The Karabakh problem does not have a military solution and must be solved on the basis of agreement between Armenia and Azerbaijan, in a just and honorable way and with the withdrawal of Armenian forces from Azeri territory.

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Our country's foreign minister expressed support for direct talks between Armenia and Azerbaijan, declared Iran's willingness to assist in the talks, and said that the continuation of the current situation was not to the advantage of either country nor of regional peace and security. Velayati said that the return of refugees to their homes and pursuing a political solution in order to solve differences over Karabakh would prove constructive and beneficial for good neighborliness, improving relations, and strengthening cooperation, as well as for regional peace.

Armenia: Official Says Karabakh Made 'Great Concession' for Peace

NC0503201396 Yerevan NOYAN TAPAN in English 1718 GMT 4 Mar 96

[FBIS Transcribed Text] Yerevan, March 4 (NOYAN TAPAN) — Foreign Minister of Karabakh Arkadi Ghukasyan said he was content with results of a meeting between OSCE acting Chairman, Foreign Minister of Switzerland Flavio Cotti and Karabakh President Robert Kocharyan. "Owing to this meeting OSCE Chairman now is fully aware of the position of Karabakh", he noted.

Mr.Ghukasyan emphasized that Karabakh had never been within Azerbaijan. They both were within USSR and seceded from it simultaneously, on the same juridical basis. It is almost two years we have truce which, according to Ghukasian, has resulted from not only mediators' activity but also due to balance of forces in the region. Karabakh's position in solving the problem covers three preliminary conditions:

1. As a result of the settlement none of the sides must submit to another. From this point of view he considered admissible clauses of Dayton agreement on Bosnia, according to which neither of the peoples are "privileged" or "minor".

2. Mountainous Karabakh cannot remain within Azerbaijan.

3. Safety degree of Mountainous Karabakh must be determined by Karabakh's people only.

"In case these principles are admitted by Azerbaijan, I think it will serve as a good ground for an agreement", Arkadi Ghukasyan said. According to him, there must be no prevalence of the territorial integrity principle over other ones. He reminded that a) lots of borders change even in recent years, b) Karabakh is not a part of Azerbaijan.

According to Karabakh Foreign Minister, Azerbaijan's position is not constructive. "During negotiations it tries to restore everything it lost during the war". "Assertion that Karabakh appears from a position of strength is wrong. However, we cannot neglect results of the war", he said. Mr. Ghukasyan noted that Karabakh made a great concession admitting two principles: a) Karabakh refused from its previous decision on unification with Armenia, b) Karabakh do not exclude possibility of establishing horizontal structures with Azerbaijan. At the same time Azerbaijan's position is still the same: it demands that Karabakh become a part of Azerbaijan promising "high degree of autonomy" in exchange (in fact it did not explain the sense of this expression).

Touching upon the deadlock in the issue of POWs, Arkadi Ghukasyan stated that this resulted from the fact that Azerbaijan evade negotiations with Karabakh's State Commission for POWs, thinking it would be a de facto recognition of Karabakh.

According to Mr. Ghukasyan nobody exerts pressure on Karabakh. In case there is such a pressure it "would be of no good".

Azerbaijan

Azerbaijan: Israeli Envoy Criticizes Iran Over Terror

NC0603125196 Baku TURAN in English 1741 GMT 5 Mar 96

[FBIS Transcribed Text] Baku/05.03.96/TURAN— Press-conference of the Ambassador of Israel to Baku took place due to the latest acts of terrorism in Ashqelon, Jerusalem and Tel Aviv. As a result of acts of terrorism 50 people died and more than a hundred were wounded, Ambassador Eliezer Yotvat said. He noted that the government of his country took some extreme measures due to this. "A special anti-terrorist centre was set up. It will function not only in Israel but everywhere. The sphere of activity of this centre will not limited even by the Middle East region", the Ambassador said. He said also that "the Israeli army is free in actions".

The Ambassador noted that "special service and the army will function not only against terrorists, but against relevant infrastructures: those who provide terrorists with money, explosive substances, trains them and carries out ideological preparations."

Eliezer Yotvat blamed Yasir 'Arafat in inaction. "Yasir 'Arafat announced terroristic organisation "Hamas" [Islamic Resistance Movement] out of law only two days ago, but he had to do it long ago," the Ambassador said.

"Iran is the main force which supports terrorists from 'Hamas', 'Jihad Islami' and 'Hizballah'", Yotvat said. Syria also supports the terrorists he added. According

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to Ambassador, in addition to providing financial and military support "Iran is the main ideologist of terrorism in the world".

"According to our information, February 28 Vice President of Iran Hasan Habibi visited Damascus and met there with leaders of 'Hizballah' - George Habash and Ahmad Jibril. Terrorists were instructed to continue acts of terrorism," the Ambassador said. Deputy Foreign Minister of Iran had similar meetings the other day in Beirut, he added.

The Ambassador said that the government of Israel appealed the UN Security Council in which it calls to adopt sanction against Iran. "The US support us in all our actions," Yotvat said.

Responding the questions of journalists on Iran's policy in the region Eliezer Yotvat noted that Iran in fact "does not provide any assistance to Azerbaijan." As an example he named Nakhichevan which is under blockade and does not receive real support by Iran. Implementation of many projects between Azerbaijan and Iran is delayed by Tehran as "Iran has not money." The project of construction of railway Astara-Astara, signed a year and half ago is a good example of that, Yotvat said.

He said that Iran was the ally of Armenia in the war against Azerbaijan. "Iran is dangerous for Azerbaijan," he said. Yotvat noted that he meant not the people of Iran but the leading regime . "Most Iranians would be happy to overthrow the regime of Mullahs," he said.

Responding the question on facts of co-operation between Islamists in Iran and Azerbaijan the Ambassador said that "there are enough such facts". He does not exclude the possibility, that in the future the Islamists may commit in Azerbaijan acts similar to acts of terrorism in Israel.

The Ambassador did not answer the question in the if the security of the Israeli Embassy in Baku was reinforced due to the latest acts of terrorism. "My safety and safety of the Embassy are on the high level," the Ambassador said. "Our security service and security service of Azerbaijan will be able to prevent any attack against us," he said.

Eliezer Yotvat excluded the possibility of worsening of the Azeri-Israeli relations. "I think the people of Azerbaijan will never allow that. Yesterday's words of the president Geydar Aliyev on good relations between our two states, which he said during the presentation of book about Geydar Aliyev, confirms that," the Ambassador underlined.

Azerbaijan: Friendship, Cooperation Declaration Signed With Dagestan

NC0503214696 Baku Radio Baku Network in Azeri 1700 GMT 5 Mar 96

[FBIS Translated Text] Azerbaijani President Geydar Aliyev received today a delegation headed by Muhammad Ali Muhammadov, chairman of the Dagestan State Council.

In greeting the guests, the Azerbaijani president noted that the historically friendly peoples of Azerbaijan and Dagestan are united with special bonds.

The chairman of the Dagestan State Council in his turn spoke about the developments taking place in his country, the inundated settlements due to the rise in the level of the Caspian Sea, the 150,000 Chechen refugees taking shelter in Dagestan, and the struggle being waged against all sorts of provocations in the multi-ethnic Dagestan. He also spoke about the Azerbaijanis who are settled in Derbent and in surrounding areas and stressed that every condition be maintained for their peaceful existence.

In reminding the guest of the grave problems faced by the republic due to the Armenian aggression, Azerbaijani President Geydar Aliyev pointed out that the occupation of Nagorno-Karabakh is the root cause of the events taking place in Central Asia and Transcaucasia. Regrettably, the leadership of the former union turned a blind eye to this issue as a result of which the Abkhazian, Osetian, and Chechen conflicts arose. The point is that the first such incident began in Nagorno-Karabakh.

After the meeting, a declaration on friendship and cooperation between the two republics was signed by Geydar Aliyev and Muhammad Ali Muhammadov.

A communique on the results of talks on scientific, technical, and cultural cooperation was signed by Azerbaijani Prime Minister Fuad Guliyev and Dagestani Deputy Prime Minister Muhammadov.

A news conference was held after the meeting.

Georgia

Georgia: Turkish Speaker Backs President's 'Caucasus' Initiative

LD0503150696 Moscow ITAR-TASS in English 1417 GMT 5 Mar 96

[By Tengiz Pachkoria]

[FBIS Transcribed Text] TBILISI, March 5 (Itar-Tass) — Chairman of the Turkish National Assembly (Buyuk

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Millet Meslici) Mustafa Kalemli, who is currently in Tbilisi on an official visit, met Georgian President Eduard Shevardnadze on Tuesday, welcoming Shevardnadze's initiative of signing a pact "Peaceful Caucasus" in order to establish peace in the Caucasus.

The Turkish speaker welcomed the idea of holding a meeting of heads of state of the region at a top level, Shevardnadze's spokesman Vakhtang Abashidze told Itar-Tass today.

According to Abashidze, during his meeting with Shevardnadze, Kalemli put forward an idea of creating an Inter-Parliamentary Union of states of the Caucasian region. The Georgian president welcomed the idea of the creation of the inter-parliamentary union, saying that this would be of great importance for the restoration of peace and stability in the Caucasus.

Kalemli said that Turkey regards Georgia not only as a good neighbor, but as an equal partner in regional politics. Kalemli noted that strengthening the relations between Georgia and Turkey was of great importance for the settlement of problems faced by the region and restoration of peace in the Caucasus.

Georgia: Turkey Ready To Finance Baku-Supsa Oil Pipeline Project

AU0603111496 Tbilisi KAVKASIONI in Georgian 27 Feb 96 p 1

[IPRINDA report: "The Transport of Oil"]

[FBIS Translated Text] Turkey is ready to finance the project for constructing and modernizing the Baku-Supsa oil pipeline under the following conditions: The construction and modernization of the oil pipeline should be carried out either by the Turkish side or by the Azerbaijan International Operation Company [azerbaijanis saertashoriso saoperatsio kompania] along with them. As regards the transportation of the oil, it should not exceed the pipeline's established capacity — 6 million metric tonnes annually. The investment in constructing the Georgian pipeline is estimated at $231 million compared with $55 million for the Russian pipeline. Turkey has submitted two options for the project: The first involves the allocation of a preferential credit of up to $250 million to Azerbaijan and Georgia, which will be given to the Azerbaijan International Operation Company to carry out essential work; the second involves the creation of a consortium on the basis of interested organizations to construct the pipeline.

Georgia: Top Azeri Official Discusses Oil Pipeline Routes

AU0503162596 Tbilisi SVOBODNAYA GRUZIYA in Russian 27 Feb 96 p 1

[Interview with Rasul Guliyev, chairman of the Republic of Azerbaijan Milli Mejlis (National Assembly), by SVOBODNAYA GRUZIYA correspondent Tinatin Gviniashvili; place and date not given: "The Construction of the Oil Pipeline Through Georgia Will Begin in the Second Half of This Year"]

[FBIS Translated Text] This is what Rasul Guliyev, chairman of the Republic of Azerbaijan Milli Mejlis, told a SVOBODNAYA GRUZIYA correspondent.

[Guliyev] Azerbaijan's position regarding this question is absolutely clear. President Geydar Aliyev will soon pay an official visit to Tbilisi and, together with Georgian President Eduard Shevardnadze, will sign all the documents that have been prepared in connection with this question.

The oil pipeline will run as far as Supsa where there is a splendid terminal and direct work on the transport of oil will begin from there.

[Gviniashvili] Mr. Guliyev, is it true that one of the routes via Georgia and Russia is already not so necessary?

[Guliyev] I'm often hearing such assumptions. In point of fact, this is by no means the case. The Russian pipeline is capable of carrying no more than 7 or 8 million metric tonnes of oil. Production will amount in total to approximately 300 million metric tonnes. Therefore, the entire difference will have to be transported via Georgia. Of course, from the point of view of capital investments, the Russian variant suits us better. However, as regards long-term exploitation, the Georgian option is better. The venture is complicated by the war in Chechnya. However, the Russians are promising to assume responsibility for the uninterrupted flow of oil.

[Gviniashvili] Are you experiencing any kind of pressure from the Russian Federation concerning this question?

[Guliyev] Naturally, it would suit the Russians better to have the pipeline run only through Russian territory. This would give them powerful levers with which to exert political pressure. However, the point is that they have practically no outlet to the Black Sea. Russia tried to resolve this problem by proposing a pipeline through Bulgaria and Greece. This is of no benefit to us and, likewise, is of no benefit to Georgia.

Azerbaijan has already adopted a final decision on two routes. This was followed by the statement made

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by Russian Prime Minister Chernomyrdin in which he agreed to the variants that had been worked out. Russia will not pressurize us.

[Gviniashvili] Do you not see in your adherence to principle a certain political risk for Azerbaijan?

[Guliyev] The time has finally come to demonstrate openly our independence. I think that the decision taken by the Azeri authorities is weighty proof of this.

[Gviniashvili] Could the results of the forthcoming presidential elections in Russia influence your decision?

[Guliyev] No matter who comes to power, it is already impossible for Russia to turn its back on democratic development. However, judging by the last elections, this is truly an unpredictable country.

Georgia: Abkhazian Leader Declares 'Partial' Mobilization

AU0503162696 Tbilisi AKHALI TAOBA in Georgian 28 Feb 96 p 3

[IBERIA report: "Partial Mobilization in Abkhazia"]

[FBIS Translated Text] In accordance with an order from Vladislav Ardzinba [Abkhazian leader], partial mobilization has been declared on the territory of Abkhazia.

Abkhazian Armed Forces, along with heavy equipment, have been concentrated near the so-called "Gali channel." Abkhazian separatist commanders explain this by saying that they expect Russian peacekeeping forces to be withdrawn from the territory of Abkhazia and Georgian government troops to launch an offensive in the direction of Gali and Sukhumi.

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Estonia

Estonia: Foreign Ministry Condemns Bomb Blasts in Israel

WS0503085396 Tallinn ETA in English 1720 GMT 4 Mar 96

["News Release"]

[FBIS Transcribed Text] Tallinn, March 4 (ETA) — "The Foreign Ministry of the Republic of Estonia is shocked of the brutality of the bomb blasts in Jerusalemm on February 25 and March 3 and 4 and condemns the terrorist acts sharply," Foreign Ministry said in its statement of Monday.

Estonian Foreign Ministry expresses its deep condolences to victims of the attacks, relatives of victims and to the whole of the Israeli nation.

Foreign Ministry confirms again that the Republic of Estonia has a negative attitude towards terrorism in any form or for any aims. "There is no justification to killing innocent people," the statement said.

Despite the fact that those terrorist acts are directed against the peace process of the Middle East, Estonian Foreign Ministry hopes that negotiations to achieve a result satisfying all parties will be continued as soon as possible, Foreign Ministry press service said.

Estonia: Vahi Denies Alleged Intervention in Church Affairs

LD0503205296 Moscow INTERFAX in English 1905 GMT 5 Mar 96

[FBIS Transcribed Text] TALLINN, March 5 (Interfax) — Estonian Prime Minister Tiit Vahi rejected the Moscow Patriarchate's charges of his government's intervention in the affairs of the Estonian Orthodox Church at a press conference in Tallinn Tuesday.

"The government has never dealt with the problems of the Orthodox religion, because in Estonia the church is separated from the state," he said.

At the same time, he admitted "we did tackle only one issue, the legal succession of the pre-war Orthodox Church."

The government had to reinstate all rights, including property rights, of the legal entities and individuals of the Estonian Apostle Orthodox Church (EAOC), who emigrated from the country with the establishment of the Soviet regime in 1940, Vahi said.

The ongoing conflict between the two Orthodox churches in Estonia "will not come to the use of force," Vahi said confidently. "No one in Estonia impedes the activity of the Orthodox Church, including that subordinate to the Moscow Patriarchate," he said.

Two Orthodox churches are operating in Estonia at the same time. One of them is subordinate to the Constantinople Patriarchate and is registered as the Estonian Apostle Orthodox Church, while the other one is subordinate to the Moscow Patriarchate and protests against this registration, because all of its property is registered under the same name.

Prior to this, the Moscow Patriarchate suspended relations with the Constantinople Patriarchate after it took the EAOC into its jurisdiction.

Latvia

Latvia: Foreign Ministry Criticizes Estonian Fishing Boat Incident

LD0503195096 Moscow INTERFAX in English 1719 GMT 5 Mar 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] RIGA, March 5 (Interfax) — The Latvian Foreign Ministry has protested to Estonia about the incident where Estonian border guards detained a Latvian fishing boat in the Gulf of Riga Sunday [3 March] night.

The protest note was handed to the Estonian ambassador Tomas Tiivl in Riga Monday, the official spokesman for the Latvian ministry Rihards Mucins told Interfax.

The note says the ship was detained in an area which has been considered as the main section of Latvia's economic zone during the bilateral talks on the sea border. In this context the Latvian government "will be forced to take steps to guarantee the normal operation of fishing vessels."

Mucins said the concrete steps will depend "on the explanations the Estonian side is going to give."

In 1993 Estonia passed a border law under which the nautical border with Latvia was unilaterally drawn along the line established in 1940. Latvia does not recognize it.

Since 1994 there have been several meetings between officials from the two countries, including prime ministers, on the sea border issue. Nevertheless, no concrete understandings have been achieved.

Estonian border guards have detained many Latvian ships fishing in the area Estonia has declared as its own.

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Latvia: Foreign Minister Views Border Incident With Estonia

WS0603104296 Tallinn BNS in English 1600 GMT 5 Mar 96

[FBIS Transcribed Text] Riga, Mar 5, BNS — Latvia will tackle the problem of maritime borders with Estonia in a diplomatic manner, Foreign Minister Valdis Birkavs told reporters Tuesday.

"We will continue talks and our fishermen will go on catching fish in their usual territories under the Latvian law," Birkavs said.

The March 3 incident when Estonian border guards by mistake detained a Latvian fishing boat in its own territory "should not be exaggerated," the minister noted.

The incident also should not be linked to the March 1 meeting of the Latvian and Estonian prime ministers, he said.

As reported, the Estonian ambassador was summoned March 4 to comment on the fishing boat detention and receive a related note of protest.

Border differences or "pilchard wars" broke out last spring when Estonian patrol boats several times detained Latvian fishers who had entered a disputable territory.

The Latvian and Estonian prime ministers, who met last week in Parnu, conceded that border differences could be settled already this year if any similar conflicts are prevented.

In the opinion of Latvian fishing executives, "pilchard wars" can begin again this spring because the best fishing is expected to be at the Estonian islands of Kihnu and Ruhnu.

Latvia: President Ulmanis To Set Up Ethnic Minority Council

LD0403194296 Moscow INTERFAX in English 1805 GMT 4 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Guntis Ulmanis told national radio Monday that he had plans to set up "shortly" a consultative council of representatives of ethnic minorities.

At the beginning of February, 13 prominent intellectuals, including a number of Letts, sent an appeal to President Ulmanis, stating that "the government is refusing to observe the rights of ethnic minorities" and urging him to improve the situation in this area.

Among the measures proposed by the intellectuals were the idea of establishing a consultative council that would work out recommendations while drafting laws and programs affecting the interests of ethnic minorities.

At first the president rejected the proposal, describing it as "a rude and indecent political game" and saying that the facts quoted in the appeal were distorted. However, subsequently, he met with the authors to discuss the problem.

Speaking on national radio Monday, President Ulmanis admitted that "one can agree with the authors of the appeal" and that "the blame for ethnic tensions largely rested with the bloated bureaucratic apparatus."

The appeal said, among other things, that "categorism and pressure dominated in teaching the Lettish language." "Representatives of ethnic minorities have been denied an opportunity to receive an education in the Russian language, while the elimination of Russian secondary schools, envisaged in the draft law on education, will be a tragedy, even for the Latvian intellectuals," said the document.

Ethnic minorities, mostly Russians, Belarusians and Ukrainians, account for 45 percent of Latvia's population. About half of the ethnic population are citizens of Latvia, i.e. those who had lived in Latvia prior to its joining the former Soviet Union in 1940, and their descendants. The rest settled in Latvia after 1940.

The idea of setting up a consultative council of representatives of ethnic minorities was approved back by Latvia's parliament back in 1991.

Lithuania

Lithuania: Brazauskas Discusses Relations With Poland, NATO

WS0503143396 Warsaw GAZETA SWIATECZNA in Polish 2-3 Mar 96 pp 8-9

[Interview with Lithuanian President Algirdas Brazauskas, by Adam Michnik and Pawel Smolenski; place and date not given: "A Normal Lithuanian, Not a Communist"]

[FBIS Translated Excerpt] [passage omitted] **[GAZETA WYBORCZA] Mr. President, are you afraid of Russia?**

[Brazauskas] No, I am not.

[GAZETA WYBORCZA] What about a Russia in which Gennadiy Zyuganov is elected president?

[Brazauskas] I still am not afraid because now is the wrong time to resort to strength and aggression in international relations. Russia is too weak for that.

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[GAZETA WYBORCZA] What can you tell us about the present conflict within the Lithuanian Democratic Labor Party [LDPP], which you come from?

[Brazauskas] I am not in conflict with the party and there is no conflict within the party, either. In the LDPP there has always been a group which supported recently dismissed Prime Minister Adolfas Slezevicius. [passage omitted]

[GAZETA WYBORCZA] What were the biggest mistakes the LDDP made?

[Brazauskas] Let me answer this question by telling a joke: the biggest mistake was to come to power. However, the real reason for the decrease in its popularity was that in this day and age it is difficult to work miracles, particularly in the economy. This is why cabinets change so often in Lithuania. The same goes for Poland.

[GAZETA WYBORCZA] All nations have something in their history which they are ashamed of. Poles are ashamed of something, the Russians are ashamed of something else. What are the Lithuanians ashamed of?

[Brazauskas] What can we, humble people, be ashamed of? Lithuania was invaded by whoever wanted to invade it.

[GAZETA WYBORCZA] What about your relations with the Jews?

[Brazauskas] This is not a shame for the entire nation...

[GAZETA WYBORCZA] It never is.

[Brazauskas] If it had not been for Hitler's system, nothing bad would have happened. The Lithuanians lived together with Jews; in our country there were no such great pogroms as in Poland or Ukraine... [passage omitted]

[GAZETA WYBORCZA] Why does Lithuania want to join NATO?

[Brazauskas] Everyone in Lithuania realizes that we must have national security guarantees, and there is no other guarantee but NATO. We are heading for Europe just like all the other countries of this region. We will join the alliance along with Poland.

[GAZETA WYBORCZA] Hopefully, you will. Do you not fear Moscow's reaction?

[Brazauskas] This is only a preelection game.

[GAZETA WYBORCZA] What about the Commonwealth of Independent States? Would it not offer Lithuania sufficient guarantees?

[Brazauskas] Since Ukraine does not want to become part of its security system, the Commonwealth is finished.

[GAZETA WYBORCZA] Mr. President, you, the post-communists, managed to develop better relations with Poland, whereas your predecessors failed to do that. Does Lithuania fear Poland?

[Brazauskas] Why should it? Now the times are entirely different than they used to be. Poland no longer needs to be afraid of Germany, Lithuania does not need to fear Poland, and Estonia, which is a country only half as big as Lithuania, does not need to be afraid of us. Vytautas Landsbergis, my predecessor in office, failed to develop better relations with Poland because he held on to his principles too tightly; he kept on talking about the history: the year 1920 and the invasion of the Vilnius region by Poles. I talked to Lech Walesa and we came to a common conclusion: There is no need to talk about the history, because each of us has his own historical truth and nothing much will result if the two truths are confronted. I know one thing: Never in our common history have the relations between Lithuania and Poland been as good as they are now.

Lithuania: Brazauskas Views Border Treaty With Poland, EU

WS0603104196 Tallinn BNS in English 1900 GMT 5 Mar 96

[FBIS Transcribed Text] Vilnius, Mar 5, BNS — Let us not forget that the Lithuanian-Polish border will become a border between two European Union members in the not so distant future, Lithuanian president Algirdas Brazauskas said at a dinner Tuesday, held to honor Polish president Aleksandr Kwasniewski and his wife Jolanta.

Speaking on the future membership of the two countries in the European Union, Brazauskas noted that Lithuania and Poland were successfully expanding bilateral economic, political and defense integration and creating a joint air space control system. Both countries linked their security with NATO membership and were seeking "to create equal political chances to become members of NATO," the Lithuanian president said.

Brazauskas underlined that it was very important to Lithuania that it be allowed to join the Central European Free Trade Association, CEFTA. He promised that everything possible would be done to allow CEFTA countries, of which Poland is one, to acquire land in Lithuania and to develop their banking businesses.

President Brazauskas stressed that the election of "an energetic and modern president" in such a significant

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neighboring country as Poland provided concrete opportunities for Lithuania "together with Poland to reset its clocks to European time" and proposed that goblets be raised to drink to the health of the Polish president Kwasniewski and his wife Jolanta.

Lithuania: No Plans To Build Highway to Kaliningrad

WS0503134296 Tallinn BNS in English 1212 GMT 5 Mar 96

[FBIS Transcribed Text] Vilnius, Mar 5, BNS — "Our long-term plan, up to 2010, does not provide for building of any motor road from Grodno to Kaliningrad via the Lithuanian territory," the Ministry of Transportation's secretary told BNS.

All major international road projects were discussed at the European Transportation Conference in Greece in 1994, Algirdas Sakalys said. The Klaipeda-Kaunas-Vilnius-Minsk international artery was the only Lithuanian project dealt with at the conference, apart from the Via Baltica — a motor road through the Baltic states to the Central Europe.

There was no mention of any Russian or Belorussian alternatives regarding transportation from Grodno to Kaliningrad, he said.

Despite statements of high-ranking Russian officials as to the construction of a motor road to the Kaliningrad port via Poland or Lithuania, quoted by the press, Lithuania has received no formal proposals to this end. Thus, it is irresponsible to comment on this in a more concrete way, Sakalys said.

"It is unclear what transit is meant — civil or military. The Ministry of Transportation can only talk about the civil transit," the ministry's secretary said. The military transit is closely linked to national security issues and must be discussed by politicians and the parliament, he added.

In the secretary's estimation, the idea of a new motor road may as well be Russia's reaction to the Baltic states' solidarity in respect to the Via Baltica construction.

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